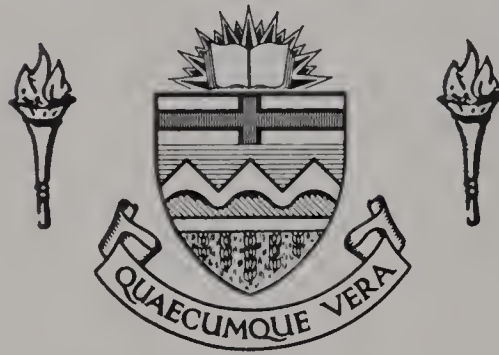


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THE UNIVERSITY OF ALBERTA

A HISTORY OF THE  
ALBERTA HOSPITAL ASSOCIATION:  
1919 - 1971

by



DONALD W. M. JUZWISHIN

A THESIS

SUBMITTED TO THE FACULTY OF GRADUATE STUDIES AND RESEARCH  
IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE DEGREE  
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THE UNIVERSITY OF ALBERTA  
FACULTY OF GRADUATE STUDIES AND RESEARCH

The undersigned certify that they have read, and  
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in partial fulfilment of the requirements for the degree of  
Master of Health Services Administration.





## ABSTRACT

The purpose of the study was to describe and analyze the history of the Alberta Hospital Association during the period 1919 - 1971. The organizational framework used to analyze the history of the Alberta Hospital Association included concepts of the organization's environment, goals and internal operations. The environment was described in terms of technological, legal, and political-economic conditions. The goals were described as the purposes towards which the Alberta Hospital Association worked. The internal operations of the Alberta Hospital Association included: (a) the structures--complexity, formalization, and centralization, and (b) the processes--communication and technology. The trends in the relationships between the organizational variables during the time periods were also discussed.

The findings suggest that the Alberta Hospital Association's strategies for internal operations developed as a result of a variety of environmental conditions and the goals it established. In turn, there is evidence to suggest that the Alberta Hospital Association's activities may have affected the environment. This study employed a descriptive approach to the analysis of the organization; it is suggested that further historical research utilizing organizational analysis be undertaken.



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## CHAPTER I

### Introduction

The advent of hospital associations occurred in North America at the turn of the twentieth century. In the United States, the American Hospital Association was founded in 1898 (Letourneau, 1961, p. 547). The first Canadian hospital association was formed in Ontario; this hospital association was short-lived, holding its first and last meeting in 1904. A national organization with members primarily from eastern Canada was organized in 1907, but its activities were curtailed by the outbreak of World War I. Provincially, the British Columbia Hospital Association, organized in 1917 by Dr. Malcolm MacEachern, holds the distinction of being the oldest continuing hospital association in Canada. The Alberta Hospital Association was organized two years later, in 1919 (Agnew, 1974).

Hospital associations, according to Agnew (1974), were organized as a reaction to an increase in the complexity of problems faced by hospitals at that time. Agnew describes the contributions of hospital associations as follows:

Hospital associations. . . have served primarily as educational media whereby hospital personnel have exchanged ideas and become better informed. Conventions, publications, conferences, workshops, library services and extension courses have all contributed. . . Hospital Associations have represented hospitals collectively in dealing not only with governments but with professional associations, allied health organizations and the general public. . . They have also provided various direct services including the establishment and operation of non-profit Blue Cross hospital insurance



plans. . .not the least of the benefits associated with trustee leadership has been the influence wielded by those men and women in getting legislative support for highly desirable measures and regulations (Agnew, 1974, pp. 58-59).

It seems from the above quotation that the role of hospital associations in Canadian society is an important one, but a detailed study of a Canadian hospital association has not been done.

### Rationale for the Study

The need for a history of a hospital association can be viewed from a number of perspectives. First, there do not appear to be any detailed studies examining the growth and development of a Canadian hospital association. The lack of literature on the subject suggests that such a study should be done in order to document, for historical purposes, the activity and influence of this important type of organization. Since hospital associations have played a crucial role in the Canadian health care system, an organizational history of a single association could enhance our perception of their role. In addition to increasing our comprehension of the hospital association itself, the study would supplement our understanding of the development of the province's hospital system. Finally, a better realization of the organizational history of a provincial hospital association could lead to a better understanding of the functioning of organizations.





### Purpose of this Study

The purpose of this study is to:

1. describe the Alberta Hospital Association's history,
2. analyze the historical development of the Alberta Hospital Association through 1919 - 1971 using concepts from organizational theory as a framework,
3. explore the relationships of the Alberta Hospital Association to government and allied health oriented organizations through 1919 - 1971, and
4. document the contribution the Alberta Hospital Association has made to the provincial hospital field.

### Format of the Study

The history of the Alberta Hospital Association is presented in chronological order. The study begins with events prior to the organization of the Alberta Hospital Association in 1919 and extends to 1971. The organizational analysis of the Alberta Hospital Association is based on the historical description of the organization.

The first chapter of the study is the introduction and in it the rationale, purpose, format, method and analytic approach of the study are described. Chapter Two outlines the conceptual model of organizational functioning used to analyze the historical data. The limitations of the analytic approach and the study are also discussed in Chapter Two.



Chapters Three, Four and Five present the historical descriptions and organizational analysis of three periods in the history of the Alberta Hospital Association. The first time period, the content of Chapter Three, is a brief review of the provincial hospital system prior to 1919 and then extends from 1919, when the Alberta Hospital Association was formed, to 1943 when it amalgamated with the Alberta Municipal Hospital Association (formed in 1920). Chapter Four spans the period of time from 1943 to 1958, when the Hospitalization Benefits Act was passed in the Alberta Legislature. The time period extending from 1959, when the Alberta Hospital Association established a full-time office, to 1971, when the Alberta Hospital Services Commission was organized, is the content of Chapter Five. Chapter Six provides an analytic overview of the data in Chapters Three, Four and Five. Some general observations about the organizational history of the Alberta Hospital Association, and a recommendation for further research, is also made in Chapter Six.

### Method

For the time period from 1919 to 1932 inclusive, no primary documentation of the Alberta Hospital Association's activities could be found except for a program of the 1919 annual convention. All conference proceedings and minutes of meetings have been lost. The history of this period has therefore been reconstructed from newspaper accounts and



personal interviews with Mr. Murray Ross, former Executive Director of the Alberta Hospital Association, and Mr. Jimmy Barnes, Mr. Reg Adshead, Mr. George Sherwood, and Judge Nelles Buchanan, all of whom are Past-Presidents of the Alberta Hospital Association. For the time period 1933 - 1942, the minutes of meetings, personal interviews with Mr. Murray Ross, and newspaper accounts are the major sources of information. For the time period 1943 - 1957, the proceedings of annual conventions, minutes of meetings of the Board of Directors, and personal interviews with Mr. Murray Ross are the major sources of information. From 1958 - 1971, the proceedings of annual conventions, minutes of meetings of the Board of Directors and Executive Committee, briefs, and personal interviews with Mr. Murray Ross have been the primary sources of data. Once the pertinent data was gathered, it was classified and categorized by the author according to the basic concepts in the analytic framework.

### Analytic Approach

The approach used in this study is that usually referred to as organizational analysis. Pugh has defined organizational analysis as "the study of the structure and functioning of organizations" (Pugh, 1966, p. 235). The structure of organizations are the components and relationships which are relatively stable, such as hierarchy of authority, the goals the organization is attempting to





achieve, its rules and standard operating procedures, its technology, and its organization chart. The functioning of an organization, that is its processes, are more fluid and less predictable and are represented by the decisions that may be reached, communications which may take place, and political influences which may be felt. In addition to the structure and functioning of an organization, Hall (1977) states that the environment is also an important factor to consider in organizational analysis. In this study, environmental factors such as the technology or work of other organizations, the legal conditions, that is, the laws and regulations of the land, the political-economic conditions are all taken into consideration. Finally, the goals or the purposes towards which the organization works are also examined. A detailed description of the analytic framework and its limitations are outlined in Chapter Two.



## CHAPTER II

### Analytic Framework

The purpose of this chapter is to outline the analytic model employed in this study. The model draws upon a number of conceptual frameworks which have been developed for organizational analysis. The model is used in the subsequent chapters of the study as a basis for describing and analyzing the history of the Alberta Hospital Association.

### Organizational Analysis

Weber's (1947) classical description of the typical social structure of organizations has given rise to "two distinct traditions in the social sciences--the historical studies of bureaucratization in societies and empirical research on complex organizations" (Perrow, 1968, p. 305). These two traditions arose out of Weber's profound interest in the changing social organization of society and the typical features that characterize a formal organization. Weber's characterization of the formal organization has been the fundamental basis for much of the empirical research on organizations done to date (Hall, 1963, 1977). Some of the characteristics of organizations that Weber identified are: (a) division of labour, (b) administrative apparatus for maintaining the organization, (c) positions organized into a hierarchy of authority, (d) operations governed by rules and regulations, and (e) promotions based on merit and seniority (1947, pp. 329-335).



Weber's approach to the study of organizations is primarily that of political sociology (Bendix, 1962, p. 286), drawing on concepts such as authority, values, hierarchy, and influence. Modern organizational theory draws upon many other academic disciplines, including economics, political science, social psychology, and anthropology (Khandwalla, 1977, pp. x-xi). In this study, the approach is primarily sociological. Sociology is defined as the "study of systems of social action and their interrelations" (Inkeles, 1964, p. 16). In this case, the 'system of social action' is the Alberta Hospital Association and its interactions with other systems of society.

In order to be able to analyze organizations, it is first necessary to have a clear understanding of what is meant by the term. Etzioni defines organizations as "social units (or human groupings) deliberately constructed and reconstructed to seek specific goals" (1964, p. 3). Scott (1964) broadens the definition by defining organizations as collectivities established by the pursuit of relatively specific objectives on a more or less continuous basis. Scott makes it clear that organizations have distinctive features other than goal specificity and continuity, for instance, they have relatively fixed boundaries and a normative order.

Hall's definition is more detailed--elaborating on the characteristics of an organization, he states:

An organization is a collectivity with a relatively identifiable boundary, a normative order, ranks of





authority, communication systems and membership coordinating systems; this collectivity exists on a relatively continuous basis in an environment and engages in activities that are usually related to a goal or a set of goals (1977, p. 23).

To a large degree, Hall (1977) points out characteristics which have their origin in Weber's widely accepted view of bureaucracy. Unlike Weber's approach which tends to focus upon internal aspects of the organization (closed system), Hall emphasizes an open systems model. In this study, the bureaucratic model outlined by Weber and its further refinement by Hall (1977) and Perrow (1970) is used as a basis for analysis. The model has three main components: (a) the organization's environment, (b) its goals, and (c) its internal operations. These three components allow for a relatively comprehensive analysis of an organization. The components are defined in turn in the following sections of the chapter.

### Environment

An organization does not exist in a vacuum; its actions and reactions take place in the context of what goes on around it. Those aspects of society which fall outside the boundaries of the organization under study are said to constitute the environment of that organization. The environment embraces the social as well as the physical environment. The importance of the environment in organizational analysis is recognized by many contemporary writers including Hall who states, "the environment of organizations



is a critical factor in understanding what goes on in and about the organization. Said another way, no organization is an island unto itself" (1977, p. 303).

The theoretical definition of the environment is full of ambiguities. Much of the ambiguity arises from the fact that the concepts of organizational analysis are influenced considerably by the disciplinary background of each researcher. Starbuck (1976) points out that one of the problems in the area of organization-environment relationships is that of accurately delineating between the organization and the environment. A practical application of Starbuck's point is the delineation of what constitutes the environment of the Alberta Hospital Association. Are the member hospitals of the Alberta Hospital Association part of the organization or the environment? Is the Board of Directors part of the organization or the environment? Arguments can be presented for both sides.

An environmental characteristic identified by Emery and Trist (1965) is that the environments or organizations are dynamic rather than static and "changing at an increasing rate and towards complexity" (p. 21). This observation is in keeping with the general systems assumption which purports that systems tend toward complexity (Perrow, 1970, p. 152).

Hall's (1977) approach, which attempts to redress the difficulties of analyzing the environment, is adopted in this study. Hall defines the environment of an organization as "everything outside of a particular organization" (p. 22).



To more precisely define this statement, Hall differentiates the environment into two aspects: the specific environment and the general environment. The specific environment is made up of all "other organizations with which it interacts or particular individuals who are crucial in it" (p. 303). The general environment "contains those general conditions that must be of concern to all organizations" (Hall, 1977, p. 303). Specific conditions of the general environment are: (a) technological, (b) legal, and (c) political-economic conditions (p. 322).

The general environmental conditions of potential importance to the Alberta Hospital Association may include many different types of organizations and events. For example, a general environmental condition that plagued the Alberta Hospital Association during the Second World War was the shortage of nurses. This illustrates that international events may have ramifications for the Alberta Hospital Association and these may conceptually be considered the most distant aspect of the general environment.

Unlike Hall who deals with the specific environment of the organization separately, elements of the specific environment in this study are subsumed under the general environment. This is because in many instances, it is difficult to classify conditions in the environment as general or specific. For example, the Department of Public Health is a political condition of the general environment and yet an important factor in the specific environment.





For our purposes, the Department of Public Health is considered to be in the general political environment.

As mentioned above, the general environment is made up of three main conditions: the technological, legal, and political-economic conditions. Organizations are designed to fulfill some purpose or to get some kind of work done. The kind of work that they do is referred to as the technology of the organization. In turn, the technology of other organizations in society make up the technological conditions which can affect the focal organization. Examples of general technological conditions influencing the Alberta Hospital Association are standardization or accreditation of hospitals, uniform accounting, and increasing labour unrest after World War II.

Legal conditions are more easily identified because they stem from the legal system of society. For the Alberta Hospital Association, acts, statutes, and laws such as the Municipal Hospital's Act, the Alberta Hospital Association Act, and the Nursing Homes Act are part of the legal conditions of the environment. Some of the acts and laws are more pertinent to the association than others.

Related to the legal conditions of the environment are the political conditions. Political conditions in this study are limited to those conditions established by interest groups and governments. Examples of interest groups which can have an effect on the Alberta Hospital Association are the Alberta Association of Registered Nurses, Alberta





Medical Association, and the Canadian Hospital Association. The Municipal, Provincial, and Federal governments are also included in the political conditions of the environment. Part of the category of political conditions are the economic conditions which are related to "the state of the economy in which the organization is operating" (Hall, 1977, p. 302). Changing economic conditions are an important constraint on an organization--the government's concern to control hospital costs is evidence of this fact. Other examples of economic conditions possibly affecting the Alberta Hospital Association are the depression, inflation, unemployment, hospital staff shortages, and labour unrest.

### Goals and Effectiveness

The existence of an organization suggests that it has a purpose or function. The purpose or purposes of an organization are generally referred to in the organizational theory literature as the organization's goal or goals. Hasenfeld and English (1977) state that in human service organizations, goals pursued are "primarily commitments to certain values, norms and ideologies" (p. 9). Hand in hand with the study of goals is the degree of effectiveness with which those goals are achieved. In this section, a review of some of the literature on organizational goals and effectiveness is provided, a definition of goals and effectiveness is established, and the practical application of the concepts to the Alberta Hospital Association is examined.



Etzioni (1960) points out that once a goal is realized, it is no longer something the organization aspires toward, rather, it assimilates the goal into itself or the environment. In a sense, "a goal never exists, it is a state which we seek, not one we have" (p. 6).

Does an organization or the people within it have goals? Does everyone in the organization accept the goals? These are the types of questions Perrow (1970) discusses in his treatment of organizational goals. Perrow describes goals as being primarily dynamic and subject to internal and external influences. "Organizations are not born with a fixed structure or a stable external guidance system directing them to some precise end; they are subject to counter internal and external forces and both their competence and liabilities change with a changing environment" (Perrow, 1968, p. 305). Perrow states that the adoption of goals by organizations may result in a multiplicity of goals which may conflict and may be ambiguous (1970).

There is some criticism in the literature of the goal approach to organizational analysis (Steers, 1975, Etzioni, 1960). Etzioni (1960) states that:

One of the major shortcomings of the goal model is that it frequently makes the studies' findings. . . show (a) that the organization does not realize its goals effectively and/or (b) that the organization has different goals from those it claims to have (p. 258).

The effectiveness of an organization may be established by examining how well the organization was able to meet its goals. The absence of reliable measures of effectiveness in





organizations makes a quantitative assessment of an organization's effectiveness difficult--particularly in human service organizations. In this study, a description of the organization's accomplishments relative to its goals is undertaken. The effectiveness of the organization is not analyzed solely by comparing it to the goals. Factors in the environment and aspects of internal operations of the organization potentially affecting an organization's ability to reach its goals are taken into account.

Data on the goals of the Alberta Hospital Association are readily available. Throughout its history, the Alberta Hospital Association has had resolutions passed at annual conventions and statements made in annual reports that stand proxy for its goals. Examples of some of the goals of the Alberta Hospital Association in 1919 were: (a) to standardize, as far as possible, the work in all departments of the hospitals in the province, to try to maintain that standard, and so promote general efficiency, and (b) to stimulate hospital development (HospitAlta, April 1966, p. 5).

### Internal Operations

In this study, the internal operations of an organization are viewed as including both the structure and processes of the organization (Hall, 1977). The two are combined in this study under one subject heading because they tend to be closely related. Blau (1974) defines organizational structure as "the distributions, along various lines, of people





among social positions that influence the role relations among these people" (p. 12). Hall (1977) prescribes to organizational structure two basic functions; first, structure defines the framework which influences individual variations in the organization, and second, structure establishes the setting in which power is exercised, decisions are made and activities are carried out (p. 102).

The dimensions of structure that are of primary interest in this study are complexity, formalization, and centralization (Hall, 1977, pp. 97-113). These variables have their roots in the Weberian (1947) model of bureaucracy. Complexity focuses on the horizontal and vertical differentiation within the organization. Horizontal differentiation is the subdivision of labour in the organization. For example, consultants, nurses, administrators, and accountants all hold positions in the Alberta Hospital Association. Vertical differentiation refers to Weber's hierarchical structure of authority within the organization. The number of levels in the hierarchy would exemplify the extent of vertical differentiation.

Formalization is defined by Hall (1977) as "the organizational techniques of prescribing how, when, and by whom tasks are to be performed" (p. 178). Job descriptions, procedure manuals, and other written documents are examples of instruments of formalization in the Alberta Hospital Association.



Centralization, the third component of structure, is the characteristic which defines the power distributions which are predetermined in the organization. Centralization involves the examination of where decisions are made in the organization, for example, at the top, by middle management, or at the lower individual worker level.

The characteristics of structure: complexity, formalization, and centralization are not viewed as isolated from one another, rather they are seen as most likely to be interdependent. For example, as an organization becomes more complex, it is likely to become less formalized and more decentralized. A more complex structure may involve the increased use of professionals in an organization; the work of professionals is generally non-routine, therefore less formalized, less supervised and more decentralized (Hall, Haas, Johnson, 1967).

The study of structure allows examination of what the "skeleton" of the organization is like whereas organizational processes describe why the organization has a specific form (Hall, 1977). Although organizational processes may include a wide range of behaviour and activities, the processes discussed in this study are communication and technology. Communication, according to Hall (1977), is important for complex organizations which deal with uncertainty and have a technology not amenable to easy routinization. For the Alberta Hospital Association--which is people and idea oriented--communication becomes extremely important.



Technology on the other hand, focuses on the work or tasks of an organization. The important characteristic of the work performed that is of interest in organizational analysis, is the extent to which the work is routine or non-routine. Routine technology is defined by Perrow (1970) as well-established techniques which are sure to work, non-routine technology is somewhat uncertain and changes are liable to occur (Perrow, 1970, p. 75). The work of the Alberta Hospital Association and how it changes over time will be the major focus in the study of the organizations' technology.

#### Application of Analytic Framework

Initially, the conceptual framework described above will serve as a basis for organizing the history of the Alberta Hospital Association. In Chapters Three, Four, and Five the model is applied in the following manner. First, a description and analysis will be provided of the organization's environment and its interaction with the organization. Second, there will be a description and analysis of the goals of the organization in the context of the environment and internal operations. Third, the internal operations of the association will be described and analyzed, bearing in mind that they both influence and are influenced by the environment and goals.







### Relationships Among the Variables

The three concepts, environment, goals and internal operations, are not examined in isolation. For example, it is assumed that the internal operations of an organization are influenced by the factors in the environment.

Hasenfeld and English (1977) state that "human service organizations maintain continuous interchanges with their environment for the attainment of necessary inputs, the disposition of their outputs and the maintenance of the organization as a viable system" (p. 98). Hall (1977) in addition points out that the interaction of the organization and the environment can be such that the organization affects the environment. Hall (1977) states "Organizations attempt to gain and maintain power over environmental conditions that are of strategic importance to them" (p. 315). This suggests that the interaction between these two variables may be in both directions. More specifically, the increased complexity of factors in the environment may tend to make the organization more horizontally differentiated, less formalized and more decentralized (Hall, 1977). In turn, Pfeffer and Salanick (1977) have suggested that the organization can actively influence its own environment in selected circumstances.

As the goals of an organization become more ambiguous and multiple, there are likely to be more professionals and specialist consultants employed, the work environment becomes less formalized, and the decision-making process



becomes more decentralized. This can also work in reverse where an increase in professional staff in an organization can produce more goals which are ambiguous and multiple (Perrow, 1970).

As the technological conditions of the environment surrounding an organization become more diverse, the organization's technology may increase which can lead to a need for more professionals, specialist consultants, less formalization in rules and regulations, and greater decentralization in decision-making. The reverse is also true, more professionals in an organization can generate more diversity in the environment (Perrow, 1970).

#### Limitations of the Study

The purpose of this section is to outline the limitations of this study. A major limitation is that the aspects of the internal operations model were limited to the variables: complexity, formalization, centralization, communication and technology. Other variables that would have made the study more extensive would have included the organizational variables of routinization, span of control, innovation, dispersion and coordination (Price, 1972). The environmental variables of technological, legal and political-economic conditions might have been extended to include demographic, ecological, and cultural conditions of the environment as described by Hall (1977). The goals of the association could have been differentiated between what



Perrow (1971) describes as the operative and official goals of an organization. Many organizational variables were not used in this study because the application of too many variables would have made the organizational model too cumbersome to apply. To avoid developing an unwieldy model, variables were selected to provide a broad spectrum of organizational characteristics but limited so as not to make it too awkward.

A second limitation of the study is that the relationships among the variables within the organizational model have not been sufficiently empirically tested in previous research to assure that the relationships among the variables are clearly understood. The organizational theory literature suggests how organizational variables might tend to affect another variable but it does not do so with a great degree of accuracy.

A third limitation of the study is that no attempt was made to numerically measure the organizational variables: this would have facilitated the comparison of discrete numerical values representing the variables between the three periods of the organization's history. This limitation stems from the fact that reliable measures of organizational structure and functioning have not yet been extensively empirically tested. It is recognized though that by describing the variables, an implicit form of measurement is taking place.

A fourth limitation of the study is that it does not allow for generalization to explain the activities of hospital associations in general. In a case study such as







this, the only generalizing which can be done is in comparing the Alberta Hospital Association to itself over the three time periods. Although a case study does not allow for generalization, it does facilitate the indepth study of a specific subject.

A fifth limitation of the study is that in doing a historical organizational analysis, the study may be subject to bias in the sources of data. For the period 1919 - 1933, the history of the organization was determined solely from newspaper accounts, personal interviews and the proceedings of one annual convention. Newspapers and personal interviews are subject to bias and this is recognized. The latter part of the organizational history is determined primarily from minutes of Board of Directors meetings, convention proceedings, and personal interviews and these could also lend bias to the data. In order to minimize the degree of bias, the data was regularly checked against other sources such as the organization's monthly newsletter, personal interviews, and the Annual Reports of the Department of Public Health.

A sixth limitation of this study is that the organizational history of the association stops at 1971 and does not deal with the more current time period. The reason for using 1971 as an endpoint of the study is that it appeared to be a natural turning point in the association's development. In 1971, a new government came into power and the Alberta Hospital Services Commission was organized.



## CHAPTER III

### The History of the Alberta Hospital Association 1919 - 1943

The purpose of this chapter is to describe and analyze the history of the Alberta Hospital Association from 1919 to 1943. The first section of the chapter is a brief description of the provincial hospital system as it was developing prior to 1919 and the events that led to the formation of the Alberta Hospital Association. Section two is a description and analysis of the environment of the Alberta Hospital Association during the period 1919 - 1943. The third section is a description and analysis of the goals of the Alberta Hospital Association and the effectiveness with which the association worked toward the goals during the period 1919 - 1943. Section four is a description and analysis of the internal operations of the Alberta Hospital Association during the period 1919 - 1943. The fifth and final section is an analysis of the relationships among the organizational variables described in the previous three sections.

#### The Alberta Hospital System Before 1919

Agnew states that "Hospitals were scarce before 1870 and it was only during the 1870 to 1920 period with the rise of



scientific medicine and the Nightingale system of nursing that the hospital came to be generally accepted as a superior institution for medical care" (1974, p. 3). The first hospital constructed in what is now Alberta was the hospital at Fort McLeod which was constructed in 1874 by the North West Mounted Police. Fort Walsh and Calgary built similar hospitals in 1875. In 1877, the miners and North West Mounted Police cooperatively built a hospital in Lethbridge. As more people settled in Alberta, there was a greater need for hospitals. The citizens of Medicine Hat were the first in Alberta to organize publicly for the purpose of constructing a hospital. The Medicine Hat hospital was built and incorporated in 1890. The construction and equipment costs of the 40 bed Medicine Hat hospital were financed by the Dominion and Territorial governments, companies with interests in the west, and public donations. Operating costs of the hospital were met by the sale of subscriptions for hospital service, charges to the patient, and grants from the Territorial government (Thomas, p. 41).

Government's involvement financially in the provision of hospital service in the area which is now Alberta came in 1889 when the Territorial government provided one hundred dollars to the St. Albert Hospital and five hundred dollars to the Medicine Hat General Hospital. To formalize the disbursement of funds to hospitals, the North West Territorial Assembly passed an Ordinance to Regulate Public Aide to





Hospitals in 1892. The Territorial government's grant was thirteen cents per hospital day and twenty-five cents per day for an indigent. The Territorial government became more involved in hospital care in 1897 when an inspector of hospitals was appointed to oversee the provision of hospital care (Thomas, p. 41).

In 1905, Alberta gained provincial status and a health branch was established under the jurisdiction of the Department of Agriculture. The provincial government made grants available to approved hospitals and shared in the cost of hospitalization of indigents in 1906. In 1912, the Rural Municipality Act was enacted and allowed municipalities to form hospital districts and requisition taxes for hospitals (Hanson, p. 25). By 1915, the Alberta public began to demand more government participation in the provision of hospital services. The demand for more services is traced by Collins to five conditions:

1. large numbers of the male population were rejected from service in World War I because of health defects;

2. cripples were returning from the war and required hospital care;

3. a shortage of nurses, doctors and dentists had developed in Alberta;

4. rural Albertans were dissatisfied with a government which appeared to be fostering the provision of health services in urban areas at the expense of the rural areas; and



5. the United Farmers of Alberta, an interest group, was suggesting to the Provincial government that medical care was something Albertans had a right to expect, and the government had a duty to provide (Collins, 1969).

In order to placate the sentiment of rural Albertans, the provincial Liberal government enacted the Municipal Hospitals Act in 1917. The act was rewritten and proclaimed in 1918 and the first municipal hospital district was established that same year at Mannville (Bow and Cook, 1935). The Municipal Hospitals Act enabled one or more municipalities to organize a hospital district and appoint a provisional board whose responsibility was to develop a hospital scheme and conduct a plebiscite among the rate payers. If two-thirds of the rate payers approved of the scheme, then a hospital board was elected. Hospital construction costs were financed by the issuance of debentures while revenues for operating costs came from municipal tax requisitions, provincial grants, and patient charges.

The provincial government organized a separate Department of Public Health in 1919. The first Minister of Public Health was A. G. McKay. Alberta was the second province (New Brunswick being the first) to establish a Ministry of Health (Bow and Cook, 1935). The Department of Public Health was given jurisdiction over the supervision of hospitals in the province. By 1919, 49 hospitals were approved by the Department of Public Health and were receiving grants. In 1919,



nine municipal hospital schemes were ratified by rate payers and three municipal hospitals came into operation (Annual Report, 1919).

As the communities in the province grew, the number of hospitals grew as well. As described above, hospitals in Alberta were originally established by the North West Mounted Police and evolved to where hospital districts were organized by municipalities to construct hospitals. In addition, the government became increasingly involved in the provision of hospital services. With government involved to some measure in the provision of hospital services, the necessity for good patient care, accurate accounting practices for government grants, the inspection of hospitals by the Department of Public Health, and the general compliance of approved hospitals to the government's hospital regulations became necessary. It became evident among many hospitals by 1919 that cooperation was necessary to deal with problems which were emerging. In order to examine the advantages of cooperation among hospitals, a meeting was called in Edmonton of all hospitals in the province in October 1919. A notice outlining the meeting announced:

In the opinion of a large number of superintendents and other hospital workers in Alberta, the time is now ripe for the organization of all hospitals and kindred institutions in the province into an association (HospitAlta, April 1966, p. 5).







## The Environment of the Alberta Hospital Association

1919 - 1943

The purpose of this section is to describe and analyze the environment of the Alberta Hospital Association between 1919 and 1943. As noted earlier, the environment is viewed as the technological, legal, and political-economic conditions.

### Technological Conditions

The technological conditions, or work of other organizations and groups which had a significant effect on the Alberta Hospital Association during the period 1919 - 1943, were: (a) the development of standardization of hospitals by the American College of Surgeons, and (b) the introduction of uniform accounting standards which were being developed by the American Hospital Association and promoted by the Dominion Bureau of Statistics.

Standardization. The need for and impact of the standardization of hospitals is recognized by Agnew who states:

Without question one of the single greatest influences in bringing about a high level of medical care in our general hospitals was the standardization program initiated by the American College of Surgeons. As the twenties dawned it was apparent to the members of both the U.S. and Canadian Organizations that the time had come when something had to be done to improve the facilities of many hospitals (1974, p. 32).

The standardization of hospitals was a program initiated by Dr. M. T. MacEachern, Superintendent of the Vancouver



General Hospital, and the American College of Surgeons. The standardization of hospitals included certain requirements that had to be met before a hospital could be granted approved status. Some of the requirements of an approved hospital were: (a) a proper professional organization to administer the hospital; (b) the maintenance of satisfactory medical case records; (c) the provision of adequate x-ray and laboratory facilities; and (d) the enforcement of rules preventing surgeons from carrying out the practice of fee splitting within the hospital (Edmonton Bulletin, October 22, 1923).

The Alberta Hospital Association played an active role in supporting the American College of Surgeon's standardization program during the period 1919 - 1943. At the 1920 annual convention of the Alberta Hospital Association, a resolution was passed by the delegates to appoint a committee with representation from the association, the University of Alberta, and the provincial Department of Public Health for the purpose of establishing a statement of standards as they would apply to all classes of Alberta hospitals (Calgary Herald, October 22, 1920). Not all of the hospital membership of the association were convinced that the program of standardization was appropriate for their hospitals. A lively debate ensued at the convention when a number of delegates expressed the opinion that it was wrong to force the ideas of an outside agency such as the American College of Surgeons on Alberta hospitals. Other delegates argued



that the standardization program was international in scope and would apply to hospitals anywhere (Calgary Herald, October 23, 1920). The committee established to study the application of standards to Alberta hospitals recommended that the standardization program be promoted.

The promotion of standardization in Alberta hospitals came primarily from Dr. M. MacEachern who attended many of the association's annual conventions from 1919 to 1943. By 1922, the approved list of standardized hospitals had grown to include the Royal Alexandra Hospital, University of Alberta Hospital, Galt Hospital, Calgary General Hospital, Holy Cross Hospital, Lamont Public Hospital, and Medicine Hat General Hospital. These hospitals were considered to be providing the best possible "scientific" care to their patients (Edmonton Bulletin, October 24, 1922). At the association's 1923 annual convention, Dr. M. MacEachern urged the delegates to continue raising the standards of their hospitals. Dr. M. MacEachern stressed that hospitals which had received approval should continuously strive to further improve their equipment, facilities, and organization in order to hold their certificate of approval. By 1927, the program of standardization had picked up momentum and in that year fourteen hospitals were approved (Edmonton Bulletin, November 22, 1927).

During the years of the depression, 1929 - 1934, the standardization program lost some of its momentum. Hospital facilities were not being upgraded, equipment was falling







into disrepair, and hospital staff were not able to keep abreast of the newest technological advances. With the onset of World War II, the standardization program increased in importance. Much of the momentum for the standardization program was generated at the annual conventions of the association through discussions on how the criteria of standardization could be implemented.

Uniform accounting. The idea of uniform accounting was first addressed at the 1926 annual convention of the Alberta Hospital Association. At the 1927 annual convention, a paper presented by Harris of the University of Alberta Hospital demonstrated the advantages of a uniform accounting system to hospitals. Harris pointed out that hospitals had not received any additional financial aid since 1922 and since that time costs had increased. The higher costs were attributed to increased wages, increased cost of supplies, and superior services demanded by the public. Harris stated that if hospitals could make their requests for additional funds on the basis of figures and statistics that were on a comparable basis, they may stand a better chance of acceptance. There was a great deal of variance in the way that costs were arrived at and the public was somewhat skeptical about them. The delegates, after discussion of the advantages of uniform accounting, passed a resolution to provide for the appointment of a committee which would draft a proposed method for promoting uniformity of statistics and accounting (Canadian Hospital, January 1929).



Progress in developing uniform accounting was slow. The topic of uniform accounting was discussed at conventions from 1919 to 1937 but little progress was made. In 1931, the Dominion Bureau of Statistics and the National Department of Health attempted to collect financial data pertaining to hospitals for the National census and found it next to impossible because of the divergent accounting methods used. In 1938, the Dominion Bureau of Statistics and Canadian Hospital Council, representing provincial hospital associations, initiated the preparation of a basic reporting form which it was hoped would be adopted all across Canada. The association supported the work of the national organizations to develop a uniform basis of accounting (Report, 1938). Because of World War II, little progress was made in standardizing reporting procedures in hospitals but the Dominion Bureau of Statistics and Canadian Hospital Council continued to be interested in developing uniform accounting for all hospitals.

### Legal Conditions

The Alberta Hospital Association was affected by all the hospital-related legislation passed during the period 1919 - 1943. Since the association represented the hospitals of the province, it had the responsibility of informing government of the legislation the membership did not approve of and recommending how the legislation could be improved. The association formed a Legislative Committee to deal with all problems related to hospital legislation.





When the Alberta Hospital Association formed in 1919, there was already legislation in place regulating the management, maintenance, and accommodation of all public hospitals receiving government aid. This legislation was reviewed in the previous section dealing with the brief history of the provincial hospital system before 1919.

The Municipal Hospitals Act enabled municipalities to form a hospital district and build a hospital. By 1920, eight municipal hospitals were operating in Alberta. The municipal hospitals had a close relationship with the Department of Public Health since the provincial government was promoting the establishment of municipal hospitals and the creation of a separate association. In 1920, the eight municipal hospitals banded together to form a separate association--the Alberta Municipal Hospital Association.

The Act to Regulate Public Aide to Hospitals was originally enacted as the Ordinance to Regulate Public Aide to Hospitals by the Territorial Government in 1892. The act was amended in 1920 to meet some of the demands made by the Alberta Hospital Association on behalf of the membership. For example, the per diem allowance which the provincial government provided was increased from twenty-five to fifty cents per patient day. The amendment also provided for an extra per diem grant to every hospital providing for the care of patients suffering from tuberculosis. After extensive pressure from the association, the government passed the Tubercular Act in 1936 making special provision for the





treatment and prevention of tuberculosis. After a serious outbreak of poliomyelitis in Alberta in 1928, the association lobbied government for special facilities for the treatment of poliomyelitis victims. In 1938, the government passed the Poliomyelitis Act.

In 1939, the government passed the Maternal Welfare Act which provided assistance to expectant mothers in poor financial circumstances. In 1943, the government passed the Maternity Hospitalization Act providing mothers with twelve days of hospitalization.

It appears from the above description that legislation expanded the scope of government sponsored programs. In some cases, the legislation was passed as a result of active lobbying on the part of the association. Since the association was the collective voice of its member hospitals, it communicated to the government any shortcomings in legislation. The political process responsible for this is examined in the next section on political-economic conditions.

### Political-Economic Conditions

The political-economic conditions of the environment include the political processes and the general state of the economy. Specifically, the activities of government in determining who gets what is a political process. In addition, the activities of other organizations can be of a political nature when they attempt to influence government



policy and activities. For example, the Alberta Association of Registered Nurses was politically active and their activity affected the association. The economic conditions refer specifically to events such as the recession in 1921 or the depression of the early thirties.

1919 - 1921. The Liberals governed Alberta from 1905 to 1921. The Alberta Hospital Association was organized in 1919 just as the Liberals were losing their grip of power in the legislature. One reason the Liberals became unpopular was because of the recession in the economy after World War I. A second reason was that the Liberal government appeared to be favouring the urban areas in terms of provision of government services at the expense of the rural areas. In order to placate the rural Albertans, the government passed the Municipal Hospitals Act in 1917 (Hanson, 1956). The major political condition affecting the Alberta Hospital Association during the Liberal government's tenure was the formation of a separate association representing the interests of municipal hospitals. The Alberta Hospital Association had to compete with the Alberta Municipal Hospital Association for government funding for their respective members. Although all hospitals were treated equally, the district municipal hospital boards had more influence in the legislature because it was controlled by a predominant rural representation.



1921 - 1935. The United Farmers of Alberta were elected in 1921 and governed until 1935. The Department of Public Health, during the tenure of the United Farmers of Alberta, came under a great deal of criticism by the Alberta Hospital Association. At the 1922 annual convention, association delegates criticized the Department of Public Health for encouraging the formation of municipal hospitals in municipal districts which were not interested in establishing municipal hospitals. The Department of Public Health countered the accusation and insisted that it was not pressing the municipal hospital organization (Annual Report, 1922).

A major political-economic condition which surfaced in 1924 was that the financial aide to hospitals was insufficient. In 1924, the association mounted a campaign in an attempt to have the per diem grant to hospitals increased. The Deputy Minister of Health, speaking at the 1924 annual convention, assured delegates that assistance would be on the way (Edmonton Bulletin, November 13, 1924). The government did not increase the per diem grant to hospitals; in fact, during the depression the grant was reduced. This lack of government support put hospitals and municipalities in an extremely difficult situation.

The Alberta Hospital Association was affected by other political conditions during the years of the depression, 1929 - 1935. The association pressured the government to enact legislation to protect hospitals from debts incurred







by patients who were in a hospital outside of the municipality in which they resided (Edmonton Bulletin, November 13, 1924). For example, if a patient from a rural area was admitted to a hospital in Edmonton and was subsequently unable to pay for hospital services provided, the hospital would attempt to collect the debt from the municipality in which the individual resided. Municipalities had no control over the debts and felt that they ought to be the responsibility of the Provincial government.

In 1929, the idea of health insurance became a predominant issue. The Alberta Municipal Districts Association passed a resolution supporting health insurance and asked that the Provincial government consider it. The Lloydminster Hospital which was provided as a shared service by Alberta and Saskatchewan was a case in point--hospital care for residents was entirely paid for out of Municipal tax requisitions and a provincial grant; residents had only to pay for prescriptions and doctors' fees (Taylor, 1978). Hoadley, the Minister of Public Health, spoke at the 1929 annual convention of the Alberta Hospital Association supporting health insurance. The initial reaction from the medical community was fear that a health insurance program would have them working for the government. Hoadley stated in no uncertain terms that he did not want medical people to work for nothing but he did support the provision of medical services to every person in the province (Edmonton Journal, November 21, 1929).



The provincial government's interest in health insurance began in 1927 when Hoadley appointed a Legislative Commission to examine the possibilities of establishing a province-wide health insurance plan. The commission made their study on health insurance public in 1934 and the recommendations were written into the Health Insurance Act in 1935. Hoadley spoke at the 1933 annual convention of the Alberta Hospital Association and explained how a commission would be established to make adequate health services available to all people of Alberta at a cost they could afford. The Alberta Hospital Association delegates supported the plan but asked that the rights of hospitals be respected. The association also stipulated that:

1. the plan be provincial in scope;
  2. the plan have a central source of disbursement;
  3. if the plan were not made compulsory, measures be taken to protect people who could not afford it; and
  4. the person have a free choice of physician and hospital within reasonable limits (Canadian Hospital, January, 1933).
- Although the Health Insurance Act had been enacted in the legislature in 1934 and 1935, it was never proclaimed. The association supported the plan but before the act could be proclaimed, the United Farmers of Alberta lost the 1935 election.

1935 - 1943. In 1934, the provincial economy began to recover from the depression. In 1935, the Social Credit



became the governing party of Alberta. The new Minister of Public Health, Dr. W. W. Cross, felt that the health insurance plan was too graniose and that the government revenues could not support it at that time. After the depression, Alberta hospitals were in a dilapidated condition: (a) hospital equipment had become obsolete and in a state of disrepair; (b) technicians had been unable to keep up with new scientific developments; and (c) many in the hospital field had taken a cut in pay. At the 1935 annual convention, the dire needs of hospitals were made evident by Agnew who stated "either we will have to make it apparent to the public and to our government that more financial support is essential or efficiency will have to go" (Calgary Herald, November 21, 1935).

In 1936, the Alberta Hospital Association and Alberta Municipal Hospital Association agreed to hold their conventions conjointly. Prior to 1936, the Alberta Municipal Hospital Association operated independently because the membership perceived their problems as unique. In 1936, after discussion of common problems, it was agreed that the differences were largely financial due to the fact that municipal hospitals had access to municipal taxation. Another difference was that the annual conventions of the municipal hospitals were attended largely by hospital trustees and the issues discussed were financial. At the 1936 convention, the trustees of municipal hospitals were made aware of a whole series of other problems affecting







the administration of the hospital and the care of the patient (Canadian Hospital, July, 1937). Although the two associations agreed to meet conjointly in the future, it was not until 1943 that they amalgamated to form one association. Once amalgamation was achieved, the intrinsic characteristics of each association contributed to create a single, unified organization which benefited all hospitals.

The financial situation of hospitals did not improve substantially in the post-depression years prior to 1943. In 1937, at the annual convention, the delegates of the Alberta Hospital Association recommended that the government's per diem grant be increased. Dr. Cross, on the other hand, suggested in his speech to the delegates that the grant could be decreased. At the same convention, delegates raised another concern, that of the government's policy of payment to hospitals for the care of indigents--a provision of the provincial welfare program. Delegates cited examples of forwarding bills to the Bureau of Relief and Public Welfare for reimbursement and having them returned stating that the individual was responsible for the cost of hospitalization. Voluntary hospitals were left in a position of not being able to collect the debt and, because they did not have access to municipal taxes, were put in a difficult financial position. The Secretary of the association stated his dissatisfaction with the situation:

The Bureau of Relief and Public Welfare is becoming nothing but a farce; there is no such thing as an



indigent patient in its opinion (Calgary Herald, November 27, 1938).

The delegates passed a resolution requesting that the administration of indigent hospital cases be transferred from the Bureau of Relief and Public Welfare to the Department of Municipal Affairs and that the government be asked to live up to its responsibility for indigent patients (Calgary Herald, November 27, 1938).

In 1937, the Alberta Hospital Association was still supportive of a health insurance plan for the province. The association pressed Dr. Cross for a commitment to institute such a plan but he replied that it would be impossible to operate at this time because the cost was estimated to be over \$11,000,000 per year. Dr. Cross did state however, that he looked forward to the day when such a plan would be implemented (Edmonton Journal, November 17, 1937).

The outbreak of World War II in 1939 necessitated the enlistment of many hospital employees for military service. At the 1940 conjoint convention of the two hospital associations, it was agreed that those who enlisted for military service would be ensured reinstatement in their previous positions after the war. The war affected the supply of nurses and, faced with a sudden shortage, the associations agreed that recruiting retired and unemployed nurses might be necessary. The 1942 annual convention was centered around the implications of the war on hospitals and how they would cope with casualties returning from the war (Canadian Hospital, November 1942).





The political-economic conditions affecting the association during the period 1919 - 1943 were significant. The establishment of municipal hospitals created an association of hospitals which operated independently of the Alberta Hospital Association and it was not until 1936 that their commonality of problems was recognized. The policy of government in reducing funding to hospitals during the difficult years of the depression and its unwillingness to accept all costs for indigent hospitalization raised problems of great concern to the association. The idea of health insurance was actively supported by the association but the government was reluctant to implement it. At the end of the period, the shortage of nurses created by World War II was a major condition affecting the association.

#### Goals and Effectiveness of the Alberta Hospital Association

##### 1919 - 1943

The purpose of this section is to examine the goals established by the Alberta Hospital Association for the period 1919 - 1943. In addition, the effectiveness of the association in meeting its goals will be examined. When the Alberta Hospital Association was organized in 1919, seven purposes were set for it. The seven purposes will be accepted as the goals towards which the association worked during the period 1919 - 1943.





## First Goal

The first of the association's seven goals was to have the Alberta Hospital Association "serve as a means of inter-communication, cooperation and mutual support among the membership" (Edmonton Bulletin, October 23, 1919, p. 1). In 1919, when the association was organized, the provincial hospital system was relatively fragmented. There was little need for communication among the hospitals because they were only concerned with the communities they served. Cooperation was unnecessary because there was no undertaking they were involved in which required cooperation. Mutual support was also unnecessary because there was nothing the hospitals as a group needed or required. By 1919 and 1920, the demands on the hospital system changed. The program of standardization which had originated in the United States was beginning to make its influence felt on Alberta hospitals. The necessity of having uniform accounts in hospitals to compare the cost of hospitalization between institutions was beginning to influence the hospitals. The Provincial government's inadequate grants were beginning to be felt among hospitals. In order for hospitals to come to grips with the new problems, some semblance of communication, cooperation and mutual support was necessary. The formation of a province-wide hospital association was a natural way to tackle the problems.

To what extent was the Alberta Hospital Association successful in facilitating the first goal? To begin with,



the fact that hospitals became organized on a provincial scale was considerable progress. The annual conventions held from 1919 to 1943 were important in aiding the achievement of the first goal; they allowed hospitals to compare problems, discuss them, and attempt to work out solutions. Mutual support was also achieved in that the association would act on initiatives set by hospitals and confront government with them. Comparing the amount of communication, cooperation and mutual support among hospitals in 1919 to that in 1943 suggests that there was a great deal more in 1943. The most concrete evidence that this goal was achieved was that the municipal hospitals and the voluntary hospitals were able to meet conjointly for annual conventions beginning in 1936 until they amalgamated in 1943.

### Second Goal

The second goal of the Alberta Hospital Association was to:

standardize, as far as possible, the work in all departments of the hospitals in the province, to try to maintain that standard, and so promote general efficiency (Edmonton Bulletin, October 23, 1919, p. 1).

The need to standardize the internal structure and activity of hospitals came from two sources: one was the program of standardization developed in the United States, the second was an innate desire of hospital trustees, administration and employees to ensure that the care provided in the community was the best possible under the circumstances.



The second goal was achieved, to some degree, during the period 1919 - 1943 but much more needed to be done. In 1919, there were 49 approved hospitals in the province and in 1943 there were 97 (Annual Report, 1919, 1943). These were hospitals which had been approved by the Department of Public Health as providing a satisfactory level of care. The work of the association in attempting to develop a uniform accounting system for hospitals was another way in which the second goal was worked towards.

### Third Goal

The third goal of the Alberta Hospital Association was to "stimulate hospital development" (Edmonton Bulletin, October 23, 1919, p. 1). The third goal was not as actively pursued by the association during the period 1919 - 1943 as were other goals. The ratio of hospital beds in Alberta in 1919 was 4 beds/1000 population and by 1943 it had increased to 7.4 beds/1000 population, one of the highest ratios in Canada (Annual Report, 1919, 1943). This increase cannot be attributed to the association's activities but to the fact that settlement was increasing throughout the province and distances were such that practically every community required a hospital. In addition, the municipal hospital plan which was introduced increased the number of municipal hospitals from 3 in 1919 to 35 in 1946 (Annual Reports, 1919, 1946). Much of initiative for hospital construction came from the communities.







#### Fourth Goal

The Alberta Hospital Association's fourth goal was to:

impress collectively on the authorities of the province and cities the great need for increased hospital accommodation for the aged, the tubercular, and those suffering from chronic conditions, who are presently occupying bed space in our active treatment hospitals (Edmonton Bulletin, October 23, 1919, p. 1).

The issue of facilities for the care of chronically ill patients arose continuously at the association's conventions between 1919 and 1943. The association impressed on government authorities many times the necessity for chronic hospitals. The association also pressured the government to provide special facilities for tuberculosis and poliomyelitis victims. In 1920, the Provincial government erected a sanatorium for victims of tuberculosis which was operated by the Provincial and Federal governments. In 1928, facilities were erected by the Provincial government for those with poliomyelitis. Governmental provision of homes for the aged and other chronic facilities were not yet a reality.

#### Fifth Goal

The fifth goal of the association was to "raise. . . the question of the adequacy of the government grants" (Edmonton Bulletin, October 23, 1919, p. 1). This goal came as a response to the inadequate funding the hospitals felt they were receiving from the Provincial government. The



inadequacy was felt to be in two areas: (a) the per diem grant, and (b) the reimbursement of hospitals for the care of indigents. The success of the association in this goal was limited. In 1919, hospitals were receiving a per diem grant of 25 cents and in 1920 this was increased to 50 cents. During the depression, the rate was decreased to 45 cents per diem and remained at this rate for the remainder of the period.

#### Sixth Goal

The sixth goal of the Alberta Hospital Association was "to arrange cooperation with the Workmen's Compensation Board" (Edmonton Bulletin, October 23, 1919, p. 1). The need to promote cooperation between hospitals and the Workmen's Compensation Board originated from three sources. First, the board did not honour the costs for the care of all the cases submitted to it; second, the board unilaterally determined how much it would reimburse for each case; and third, the board unilaterally set rates for various types of treatment. This situation was the basis for a great deal of frustration for hospitals who could not recover costs. The association was not able to reconcile this problem during the period 1919 - 1943. The reason that the board was skeptical of accepting the costs submitted by hospitals was that, due to the various accounting systems, the costs varied considerably between hospitals. This problem was finally solved when the point system of



reimbursement was developed in 1944. The point system is described in detail in Chapter IV in the section on technology.

### Seventh Goal

The seventh and final goal set by the association was to "standardize the training of nurses throughout the hospitals" (Edmonton Bulletin, October 23, 1919, p. 1). Next to the standardization of hospitals, the standardization of nurses' training was the most important objective in 1919. The problem of standardizing nurses' training was partially ameliorated by the fact that between 1920 and 1936, the Alberta Hospital Association and the Alberta Association of Registered Nurses held conjoint conventions. In many instances, joint sessions were held in which nurses' training and its standardization was discussed.

The goals established in 1919 were an attempt to organize a provincial hospital system from a relatively disordered state into one in which hospitals would cooperate and, in an ordered fashion, work toward the same end--the provision of a good standard of hospital care.

### Internal Operations of the Alberta Hospital Association

1919 - 1943

The purpose of this section is to describe and analyze the internal operations of the Alberta Hospital Association during the period 1919 - 1943. The internal operations of the organization to be examined are separated into two







components: the structural characteristics and the processes of the organization.

### Complexity

The Alberta Hospital Association during the period 1919 - 1943 was an extremely simple organization. In 1919, at the association's first annual convention, a hierarchical structure was developed. The hierarchical structure was made up of a President, Vice-President, and Secretary who were elected by the delegates representing all voluntary hospitals. A position of Honourary President was established to be held by the Minister of Public Health. The Secretary of the association often retained his position for several years in order that there would be some continuity in the association's officers. This structure remained for the period 1919 - 1943.

The Alberta Hospital Association did not have any full-time employees during the period 1919 - 1943. The individuals involved in the association's activities did so voluntarily. The type of people involved in the association were trustees, superintendents, nurses, medical staff members, ladies' aide societies, and public health workers.

In addition to the hierarchical structure of the association, there were a number of committees established to carry out special functions. Two of the committees were formed in 1919: the Executive Committee and the Legislative



Committee. The Executive Committee was generally made up of five individuals elected by the delegates at the annual convention to help the executive officers operate the association. In the early years of the association's history, travel and communication were difficult so the Executive Committee and executive officers met only when it was absolutely necessary rather than holding scheduled meetings. The Legislative Committee was responsible for drafting resolutions adopted by delegates at the annual conventions and taking appropriate action on them. For example, if the resolutions concerned a recommendation changing government policy, they would be presented to the Minister of Public Health by the members of the committee. The committee's second function was to act as a liaison with government on legislation which pertained to hospitals in general. Other committees were organized to deal with specific issues as they arose. For example, in 1919 a Committee on Standardization was appointed to examine the applicability of the hospital standards developed by the American College of Surgeons to Alberta hospitals. In 1927, a committee was organized to study the prospects for developing uniform accounting standards for all Alberta hospitals.

### Formalization

Formalization is defined as the degree to which the norms of the organization are made explicit (Price, 1972).



For example, an organization with a high degree of formalization would have rules governing the behaviour of its members. The degree of formalization in the Alberta Hospital Association during the period 1919 - 1943 was low. In 1919, when the association was organized, the delegates at the annual convention drafted a constitution for the association (Edmonton Bulletin, October 22, 1919). Unfortunately, no draft of the original constitution in force during the period 1919 - 1943 exists. It is therefore difficult to determine to what degree it outlined the structure of the association.

Evidence of other forms of formalization are available. The resolutions which were drafted after each annual convention outlined the wishes of the membership and dictated the activities the association ought to pursue. Formalization was also evident in the rates which were set for annual dues from the membership and the association's seven goals which were drafted in 1919.

### Centralization

Centralization is defined as the degree to which power or decision-making authority is concentrated within an organization (Hall, 1977). If, in an organization, the decision-making authority is exercised by one individual, then the organization is said to be highly centralized. The Alberta Hospital Association, during the period 1919 - 1943, did not appear to be centralized to a great degree. The





decision-making authority regarding activities the association would pursue was left to the discretion of the executive officers and Executive Committee. The executive officers and executive committee received their directions from the delegates at the annual convention.

### Communication

Communication is defined as the process of transmitting information in an organization (Hall, 1977). Communication in the Alberta Hospital Association during the period 1919 - 1943 was limited. The limitations were due to the large distances separating hospitals and the lack of an effective communications network. What communication did take place was facilitated by the annual conventions, meetings of the committees, and questionnaires and circular letters mailed to the membership. The Minister of Public Health was invited to speak at the annual convention which offered an opportunity for the government to put forth its policies and plans for the future. Communication between organizations such as the association and the Alberta Association of Registered Nurses took place because they held conjoint conventions frequently between 1919 and 1935. Beginning in 1936, conjoint conventions were held with the Alberta Municipal Hospital Association until the two associations amalgamated in 1943.

Communication also took place on a broader scale. The Canadian Hospital Council often sent a representative to the annual convention to speak on hospitals in a broad national



sense. Activities of the association were published in the Canadian Hospital, a national periodical which began publication in 1924.

### Technology

Technology is defined as the work performed in an organization (Perrow, 1970). The technology of the Alberta Hospital Association during the period 1919 - 1943 was underdeveloped. The association had no full-time employees or permanent office. The individuals who voluntarily served as executive officers and on committees did all of the work of the association. The only exception was the Secretary who was paid an honourarium for maintaining the operational aspects of the association. The technology of the association during the period 1919 - 1943 can be classified into two categories: (a) the organization of annual conventions, and (b) acting as the collective voice of all Alberta hospitals.

The first and major task of the association was the organization of annual conventions for the members. The annual conventions facilitated the presentation of ideas such as standardization, uniform accounting, and government policy to the membership. Government policy on hospital-related topics was generally described by the Minister of Public Health who was invited to speak to the delegates. New procedures and equipment in the hospital field were presented to the delegates through exhibits at annual conventions by the manufacturers and supply houses of hospital equipment



and supplies. The exhibits were held annually and by the 1940's had become so large that they began to overcrowd the facilities in which the conventions were held.

The second task of the association was to act as an interest group on behalf of its membership. The association was responsible for determining the collective interests of the membership and then articulating them to the appropriate organization--particularly the government.

### Relationships Among the Variables

The purpose of this section is to attempt to analyze the relationships among the organizational variables described above. The relationships between the environment and goals, environment and internal operations, goals and internal operations, and among the environment, goals and internal operations will be discussed in the subsequent sections.

### Environment and Goals

First, the relationships between each of the conditions of the environment and the goals are discussed. Hall states that the "goal of any organization is an abstraction distilled from the desires of members and pressures from the environment" (p. 70, 1977). The goals that the Alberta Hospital Association set were in response to conditions in the environment. The first goal of the association--to "serve as a means of intercommunication, cooperation and







mutual support among the membership" (Edmonton Bulletin, October 22, 1919)--was in response to the technological, and political-economic conditions of the environment. The technological conditions of the environment consisted of the standardization of hospitals and uniform accounting for all Alberta hospitals. The development of these conditions necessitated that hospitals throughout the province cooperate in adopting standardization and uniform accounting to meet their needs.

The political-economic conditions of the environment had a similar effect on the association. As the Provincial government became more involved in the regulation and provision of hospital services, hospitals were faced with demands that they could not handle individually. The government's inadequate grants to hospitals, the Provincial government's development of a health insurance program for the province in 1935, and the financial difficulties of hospitals during the depression necessitated that hospitals cooperate and deal with the political conditions of the environment on a collective basis.

The second goal of the association--to standardize the work of all departments of the hospitals in the province--was a response to the technological condition of standardization of hospitals developed by the American College of Surgeons. The third goal--to stimulate hospital development--is not directly linked to any of the environmental conditions outlined but was a response of the association



to improve the hospital services provided to the community. The fourth goal--to pressure government into providing special accommodation for the aged, tubercular and chronic patients--came as a response to the fact that many of these individuals were taking up active treatment beds which were already in short supply. Like goal three, the fourth goal was an attempt to improve services to the community.

The fifth goal--to question government on the adequacy of government grants--was a response to the political condition of inadequate government grants. The government increased its per diem grant from 25 cents to 50 cents in 1920 but by the mid-twenties, this was again insufficient for the types of services the government was expecting the hospitals to provide. The sixth goal--establishing cooperation with the Workman's Compensation Board--was a response to the frustration felt by hospitals in not having the cost of hospitalizing compensation cases fully reimbursed. The seventh goal of the association--to standardize the training of nurses--was a response to the fact that nursing schools all over Alberta were training nurses for the hospitals' particular requirements.

#### Environment and Internal Operations

The effects of the environment on the internal operations of an organization are well documented by Hall. Hall states that a technological development in any sphere of activity will eventually influence the organization related



to it (1977, p. 305). Two technological conditions of the environment affected the Alberta Hospital Association during the period 1919 - 1943. One was the standardization of hospitals and the second was the establishment of uniform accounting procedures for all Alberta hospitals. The association reacted to the first technological condition in 1919 by establishing a committee to study the applicability of standards to Alberta hospitals. The second technological condition was dealt with by establishing a committee on uniform accounting in 1927 to study methods of implementation.

Hall states that "when a new law is passed or an interpretation is modified, organizations must make some important changes if the law has relevance for them" (1977, p. 306). Legal conditions affected the internal operations of the association. Legislation enacted by the provincial government defined the role of government in providing and regulating hospital services. The association reacted to this in two ways: (a) it studied the implications of existing legislation and recommended changes to improve it, and (b) it made recommendations to the Provincial government as to what new legislation was necessary. Both of these functions were carried out by the Legislative Committee organized in 1919.

The implications of political and economic conditions on an organization are recognized by Hall who states "the political situation. . .also has its effects on







organizations" (1977, p. 306) and "changing economic conditions serve as important constraints on any organization" (1977, p. 308). A number of political-economic conditions affected the internal operations of the Alberta Hospital Association during the period 1919 - 1943, including: (a) the formation of the Alberta Municipal Hospital Association, (b) inadequate financial aid to hospitals, (c) the government's policy on indigents, (d) the economic depression, 1929 - 1935, and (e) the proposed development of a provincial health insurance plan.

The formation of a separate association for the municipal hospitals meant that the Alberta Hospital Association had to compete with municipal hospitals for resources from the Provincial government. The competition lessened by 1936 when the two associations agreed to hold conjoint conventions and almost disappeared in 1943 when the two associations amalgamated. The inadequate aid to hospitals and the policy on indigents affected the association in a manner which necessitated that it lobby the government for more favourable treatment in those areas. The economic depression affected all sectors of the provincial economy. Hospitals found that their per diem grant was reduced and the association reacted by lobbying government for reinstatement of the grant to its previous level. The Provincial government's plan for a health insurance plan initiated a great deal of discussion as to the implications of the plan for hospitals. At the 1934 annual convention, the



association reiterated the criteria by which such a plan could be accepted by the province's hospitals.

Although the Alberta Hospital Association had few resources on which to react to the conditions of the environment, it did attempt to influence the environment. The evidence presented above suggests that the association was affected to a great degree by the environment but its influence on the environment was limited. This state of affairs is described by Hall who states "the more dependent an organization is on its environment, the more vulnerable it is" (1977, p. 313). The complexity, formalization, and centralization of the association were not yet sufficiently developed to enable the organization to be effective. The communication and technology of the association were also relatively loosely organized, thereby decreasing the effectiveness of its impact on the environment.

### Goals and Internal Operations

Hall states that the "goal of any organization is an abstraction distilled from the desires of members and pressure from the environment and internal system" (1977, p. 70). The goals established in 1919 were the purposes toward which the association would direct its activities. What were the effects of the goals on internal operations? The goals established meant that the association required an organizational structure and the development of processes to carry out its activities. The organizational structure



was established in 1919 and was still in force in 1943. Although the complexity, formalization, and centralization of the association were not highly developed, the association did function within the limited resources available at the time. Because of a low degree of complexity, formalization, and centralization, the processes of the association were also not highly developed. Communication was facilitated only by annual conventions, committee work, and circular letters and questionnaires sent to the membership. The technology of the association, established to achieve its goals, was also limited by the resources available.

What effects did the internal operations have on the goals of the association? For the period 1919 - 1943, the goals of the association remained consistent but in the next period of the association's history, 1943 - 1958, the goals were reevaluated and reestablished.

### Environment, Goals and Internal Conditions

In the previous sections, the relationships between the organizational variables were documented. In this section, the relationships among the three organizational variables are described.

The environment during the period 1919 - 1943 became increasingly more complex. The program of standardization, uniform accounting, increasing government participation in the regulation and provision of hospital services, the formation of municipal hospitals into a separate association, and the proposed development of a provincial health







insurance system all contributed to creating an environment which became increasingly more complex throughout the period.

The increasing complexity of the environment prompted the hospitals of the province to organize into an association which would allow the problems and issues to be dealt with collectively rather than on an individual basis. The organization established in 1919 was of relatively low complexity, formalization, and centralization but the structure was sufficient to deal with the immediate problems. Toward the end of the period, as the environment became more complex, the organization also became more complex.

The goals were established as a response to the environmental conditions arising and served as the purposes towards which the internal operations of the association were directed. The communication and technology of the association, although relatively simple in 1919 had increased in complexity by 1943 and rendered the association somewhat more in control of its environment.



## CHAPTER IV

### The History of the Alberta Hospital Association 1943 - 1958

The purpose of this Chapter is to describe and analyze the history of the Alberta Hospital Association from 1943 to 1958. The analytic framework described in Chapter Two and subsequently applied in Chapter Three will again be utilized to study the history of the Alberta Hospital Association from 1943 to 1958.

#### The Environment of the Alberta Hospital Association 1943 - 1958

The environment of the Alberta Hospital Association during the period 1943 - 1958 was extremely dynamic. The government's investigation into a health insurance plan for the province and the progress of uniform accounting were just two of the environmental factors which changed the hospital system of the province from a relatively disorganized, unplanned state in 1943, to one that was characterized by some degree of orderliness in 1958. The evolution of an orderly hospital system affected the Alberta Hospital Association but, in turn, the association affected the environment.

#### Technological Conditions

The perpetuation of uniform accounting during the period 1943 to 1958 by the Department of Public Health, National



Department of Health, Dominion Bureau of Statistics, and Canadian Hospital Association was a technological condition which affected the Alberta Hospital Association. The promulgation of accreditation by the American College of Surgeons and later by the Canadian Commission on Hospital Accreditation also affected the Alberta Hospital Association. The shortage of nurses had an effect on the Alberta Hospital Association. Finally, the activities of the Western Canada Institute had implications for the Alberta Hospital Association. Each of these technological conditions are examined in the next section.

Uniform accounting. The issue of uniform standards of accounting which received so much attention toward the end of the period from 1919 to 1943 was acted upon and implemented during the period from 1943 to 1958. Accounting became so muddled in the hospital system that in some cases, hospitals kept two sets of books: one set for the Department of Public Health and the Dominion Bureau of Statistics, and a second set for the agency which owned the hospital (Mr. M. Ross, Interview, January 25, 1980). Much of the impetus for uniform accounting standards came from the Dominion Bureau of Statistics, national Department of Health, and the Canadian Hospital Association which attempted to gather national hospital statistics in 1931. The pressure to standardize the process of accounting in hospitals was brought to bear on two sectors of the provincial hospital





system: one was the Alberta Hospital Association and the second was the Department of Public Health. Much of the impetus arose from the need for accurate statistics in order that the national government could plan for a Canada-wide hospital insurance plan. The Alberta Hospital Association and Department of Public Health elected to cooperate and work toward uniform standards of accounting in Alberta hospitals.

In 1944, a resolution was passed at the annual convention of the Alberta Hospital Association authorizing a committee to examine and develop a basis of uniform accounting for all hospitals (Canadian Hospital, December, 1944). At the 1945 convention, delegates expressed a desire to have their accounting system brought into line with the Dominion Bureau of Statistics. Concern was indicated by the small hospitals which had no formal accounting system and they were suggesting simplification of the recommended accounting system (Canadian Hospital, December, 1944). At the 1947 annual convention, the association went on record as favouring the development of a uniform rate structure as the first step toward the desired accounting system. The incoming executive was requested to investigate and work toward drawing up schedules satisfactory to all hospitals concerned. Making little headway in implementing uniform accounting, the Alberta Hospital Association requested the Minister of the Department of Public Health to organize institutes throughout the province on uniform accounting (Canadian Hospital,



December, 1948). The Minister of Public Health, Dr. W. W. Cross, was reluctant to involve the Department of Public Health in teaching courses on hospital accounting for fear that it would appear as if the government was interfering in the activity of hospitals. However, in 1948, Mr. J. McGilp of the Department of Public Health and Mr. M. Ross of the Alberta Hospital Association set out to travel across Alberta to hold workshops in which they explained the application of a uniform reporting form for accounting.

At the 1952 annual convention, the Chief of the Institutions Section, Health and Welfare Division, Dominion Bureau of Statistics, addressed the Alberta Hospital Association delegates. Accomplishments made at the Dominion Provincial Conferences in 1949 on hospital statistics were reviewed and the revised reporting schedules described. Copies of the Canadian Hospital Accounting Manual (C.H.A.M.) were passed out to delegates and used as a frequent reference. Mr. M. Ross, Associate Secretary of the Canadian Hospital Council, described the manual's development, content, and purpose (Canadian Hospital, November, 1952).

At the 1953 annual convention of the Alberta Hospital Association, the slow progress in the province's development of a uniform accounting system became apparent and Dr. W. W. Cross, Minister of Public Health, indicated that the Department of Public Health would assist where possible. In cooperation with the association, plans were made for institutes to be held throughout the province to demonstrate the



application of the Canadian Hospitals Accounting Manual to Alberta hospitals (Canadian Hospital, November, 1952).

The 1954 annual convention of the Alberta Hospital Association concentrated strongly on uniform accounting. The institutes for hospitals based on C.H.A.M. were continued. During this time, the Department of Public Health was afraid that it would appear as if uniform accounting was being forced on the hospitals. On the other hand, the Alberta Hospital Association felt that the government was not sufficiently involving itself in the program (Proceedings, October 21, 1953).

In 1955, the Alberta Hospital Association hired Professor J. D. Campbell of the University of Alberta, Department of Commerce, to aid the hospitals in adopting uniform accounting. Later in the same year, J. D. Campbell was employed by the Department of Public Health for the same purpose. The contribution made by the Department in 1955 is reflected in the annual report which states that "A Program of instructing and assisting approved hospitals in organizing a standard cost accounting system was instituted" (Annual Report, 1955, p. 1). By 1958, when the Hospital Insurance Act was enacted, most hospitals were acquainted with the Canadian Hospital Accounting Manual and were compelled to use it under the new plan.

Accreditation. In Chapter Three, the extremely important role of the hospital standardization program was outlined and its contribution to Alberta hospitals shown.







A program of hospital accreditation had been carried out by the American College of Surgeons from 1919 to 1951. As accreditation became more costly, it became necessary to spread the expenses among a number of medical and hospital bodies which agreed to participate in a Joint Commission on the Accreditation of Hospitals (JCAH). At the same time that the Joint Commission on Accreditation of Hospitals developed in the United States, a serious movement for a separate accreditation program in Canada developed. The sentiment for this movement in Alberta first emerged in 1920 as was discussed in Chapter Three.

In 1953, the delegates at the annual convention of the Alberta Hospital Association supported the concept of an independent Canadian program of hospital accreditation. The delegates voted that funds for support be forwarded to the Canadian Commission on Hospital Accreditation which had been formed in 1950 (Agnew, 1974). A spokesman for the Commission stated that although the Commission would be independent, it would still cooperate with the Joint Commission in the United States (Canadian Hospital, November, 1953). At the 1956 annual convention, the Assistant Director of the Canadian Hospital Association, Mr. M. Ross, reviewed the intent of the Canadian Hospital Accreditation program. Mr. Ross stated that the Canadian Commission on Hospital Accreditation decided in September, 1956 to set January 1, 1959 as the commencement date of the all-Canadian program (Canadian Hospital, December, 1956).



By 1955, much of the accreditation of Alberta Hospitals was done by a Canadian staff working under the auspices of the JCAH. By January 1, 1959, the Canadian Council on Hospital Accreditation was established and took over accreditation of Canadian hospitals. This program continued to improve the standards of Alberta hospitals.

Nurses shortage. One of the most severe problems for Alberta hospitals, which had been persistent in the previous period, was the shortage of nurses. The fact that there was an inadequate number of nurses in Alberta hospitals was a point that was brought up at every annual convention of the Alberta Hospital Association between 1943 and 1958. In 1946, the Alberta Hospital Association supported the organization of a provincial nurse placement service. Some concern was expressed by hospitals that if they were to support such a service, priority should be to place nurses into hospitals before industry or doctors' offices. The hospitals were assured that they would be given priority but since nurses also supported the service, they had a say as to where they could be placed (Canadian Hospital, December, 1946). The benefits of the placement service, established in 1947, were not immediately obvious for the nursing shortage continued. At the 1947 annual convention, the shortage of nurses was again discussed and it was the consensus that the only satisfactory means of increasing the number of nurses would be to build a central school of nursing. A resolution was passed to make known to the





public and government that a central school of nursing was required.

Dr. Somerville of the Department of Public Health, in a speech to the delegates at the 1949 annual convention, quoted the findings of the Alberta Health Survey which referred to the nursing problem as the "bottleneck of the whole health field" (Canadian Hospital, November, 1949). Suggestions that girls with no money, interested in nursing, be given a loan of \$400 by the Provincial government and that the Federal government be urged to extend the hospital construction grants to include nurses' residences were made by association delegates.

By 1950, the Alberta Hospital Association, as well as other health organizations, were beginning to review the entire matter of educational requirements and length of time for nurses' training with the idea of: (a) encouraging more students to enter, and (b) accelerating them through the program (Canadian Hospital, November, 1950). The Economics Committee of the Alberta Hospital Association that year recommended that the Department of Public Health offer financial assistance to hospitals which operated training schools for nurses.

In 1953, at the annual convention, the problem of the shortage of nurses surfaced again. Delegates felt that an improvement in working conditions, streamlining training courses, analysis of nursing procedures, provision of nursing aides and other nursing personnel to relieve the





registered nurse of non-professional duties, and use of the nursing team would improve the image of nursing and therefore attract more young women (Canadian Hospital, November, 1953). In the same year, a Committee for the Improvement of Nursing was established with representatives from the Alberta Hospital Association and the Alberta Association of Registered Nurses. A brief was presented to government pointing out the seriousness of the problem. In 1954, the government took three positive steps to help ameliorate the problem. First, the government authorized the use of construction grants for the building of nurses' residences; second, the two-year nursing program was approved; and third, a recruitment program for student nurses was established (Canadian Hospital, August, 1954). In 1956, a nurse recruitment officer was hired by the Department of Public Health. All of these actions helped somewhat to ease the shortage of nurses in Alberta hospitals.

Western Canada Institute. An extremely successful organization which the Alberta Hospital Association was frequently involved with during the period 1943 - 1958 was the Western Canada Institute. Rather than being a political organization, the Western Canada Institute played an important role in providing a forum for discussion and education of hospital administrators and trustees from across Western Canada. The first Western Canada Institute was organized in 1946 by Mr. D. Cox from Winnipeg who had attended many similar institutes organized by the American



College of Hospital Administrators in the United States. The first institute was held in Winnipeg and included delegates from Manitoba, Saskatchewan, Alberta, and British Columbia. The Alberta Hospital Association played host to the second institute in 1947 in conjunction with the annual convention (Mr. M. Ross, Interview, January 24, 1980). The institutes were rotated among the four provinces each year. The Alberta Hospital Association hosted the 1951, 1955, 1962, and 1966 institutes.

Subjects at the institutes were diverse but all focused on some aspect of hospital administration. Topics studied at the 1951 institute were personnel policies, organization of health services, advantages and disadvantages of the unionization of employees, medico-legal aspects of hospital operations, and hospital trusteeship. All subjects were of current interest to administrators who were in a hospital system which seemed to be becoming increasingly complex.

### Legal Conditions

During the period 1943 - 1958, legislation was enacted which promoted provincial participation in the provision of health services to the people of Alberta. The first significant act which broke new ground in the area of hospital care and the financial method of reimbursement was the Maternity Hospitalization Act proclaimed in 1944. This act was the first of a series to be enacted which in a piecemeal





fashion, provided health care to Albertans and culminated in the hospital benefits plan of 1958.

Maternity Hospitalization Act. At the 1943 annual convention of the Alberta Hospital Association, Dr. W. W. Cross announced that Alberta would be implementing a plan to provide free hospitalization for all maternity cases in the province. Details of the plan had not yet been worked out but the tentative plan was to provide for twelve days of free hospitalization. Dr. Cross announced that the plan should be operational by April 1, 1944 (Calgary Herald, November 15, 1943). Alberta Hospital Association delegates at the annual convention approved of the scheme in principle and suggested that a joint committee of the Alberta Hospital Association and Department of Public Health work together to develop a plan of reimbursement. The Department of Public Health was encouraged by the enthusiastic response of the delegates and organized a committee under the chairmanship of Dr. M. R. Bow, the Deputy Minister of Public Health. The committee met five times in 1944 and worked out the details of the plan.

At the first meeting of the committee, representatives of the Department of Public Health agreed with the representatives of the Alberta Hospital Association that payment for maternity benefits to hospitals should not be based on a flat rate per case but should reflect the costs of that particular type of institution. This led to the adoption of a "point" system for classifying hospitals into five





categories. The details of this funding mechanism will be described in more detail in a following section on internal operations under the heading of technology (see page 103).

Once finalized, the Maternity Hospitalization Act allowed for the free hospitalization of maternity patients for twelve days. Some delegates of the Alberta Hospital Association felt that the plan was not broad enough. One delegate pointed out that complications during birth may increase the length of stay to over 12 days and that often the person who required the longer stay in hospital was one who was least able to pay the bill. The delegate felt that the regulations should be sufficiently elastic to assist those who may need more than 12 days in hospital (Calgary Herald, November 16, 1943). The Alberta Hospital Association representatives argued at the committee meeting that the rates of reimbursement at the low end of the scale for hospitals were too low. When the act was brought into effect, however, the suggestions were not implemented.

An amendment to the Maternity Hospitalization Act in 1949 enabled Alberta residents who lived near provincial borders where an Alberta hospital was not readily accessible, to receive the maternity hospitalization in another province and still receive the benefits.

Health Insurance Act. The Health Insurance Act of 1946, like the Health Insurance Acts of 1935 and 1942, was never proclaimed. The acts of 1942 and 1946 were passed in



anticipation of the Federal government's participation in health insurance. It was the National government's intention to provide social programs to the people of Canada, but the jurisdiction over social matters was with the provinces. Before the National government could implement any country-wide social programs, the cooperation of the provinces was necessary. Two studies, Marsh's Report on Social Security and Heagerty's Report of the Advisory Committee on Health Insurance, set the stage for the development of national social programs. Failing to get consensus on a national health insurance program, the provinces were left to provide their own form of health insurance.

The position of the Alberta Hospital Association on the idea of health insurance was enthusiastic, however, the association was against any government measures to implement "state" medicine. State medicine involved bringing all hospitals under government control and placing doctors and dentists on salary. The proposed health insurance plan for Alberta was announced by Dr. Cross at the 1946 annual convention of the association. The Health Insurance Act drafted by the government in 1946 provided for the province to be divided into health districts; these districts would autonomously draft a health scheme acceptable to the residents of each district. The plan would allow each district the option of implementing parts or the complete scheme if they preferred. It was anticipated that 60 per cent of the cost of hospitalization, medical services, dental services,



nursing services, and drugs would be paid by the Federal government. The remaining 40 per cent would be split between the Provincial and Municipal governments. Dr. Cross added that the federal grant would not be available to voluntary or non-municipal hospitals because they did not have access to municipal taxes (Canadian Hospital, December, 1946). Since the Federal and Provincial governments could not agree on the financing of the plan, the act was not proclaimed.

In 1947, the Alberta government extended free hospitalization to another sector of society. By an amendment to the Public Welfare Act, hospital treatment services were made available to old-age pensioners, the blind, recipients of mother's allowances, and the dependents of these persons. The hospitalization covered:

1. public ward accommodation;
2. prescribed drugs and surgical and orthopedic supplies;
3. use of the operating room and anaesthetic materials;
4. necessary x-ray service while in hospital;
5. intravenous medication and feedings; and
6. transfusions and blood plasma.

The method of reimbursement followed the same format as had been used for classifying hospitals for the maternity benefits. In addition to the payment, the hospital received a per diem grant of 70 cents. The rates established were negotiated by a joint committee of the Department of Public







Health and the Alberta Hospital Association. The rates as negotiated appeared to be satisfactory to the delegates attending the 1948 annual convention (Proceedings, November 20, 1948).

Hospitalization of City Residents Act. The Hospitalization of City Residents Act, 1950, provided that the council of any city could pass by-laws establishing a hospitalization scheme under which rate payers and non-rate payers of the city could receive standard ward hospitalization at a cost to the patient of one dollar or less for each day the patient was in the hospital. Rate payers who were owners of land in the municipal hospital district participated in the scheme of free hospitalization by having the money raised by a municipal tax levy. In the case of non-rate payers, they could participate in the plan by purchasing a hospital ticket which would entitle them to hospitalization at no additional cost to themselves.

The delegates of the Alberta Hospital Association opposed the act for three reasons. First, the initiative for cities to become municipal hospital districts had to come from the city residents and councilors so that a municipal tax could be collected, however neither wanted to increase taxes. Second, if the councilors did prepare a tax scheme for hospitalization, it would first have to be approved by the voters which was not always guaranteed. Third, if a plan were instituted in a city, there was no compulsion on the



part of non-rate payers to join. The association's membership felt that the Provincial government should pay for hospitalization and not the municipalities.

Hospitalization Benefits Act. The Alberta Hospitalization Plan came into effect on April 1, 1958. The plan was financially a cooperative effort between the Provincial and National government and provided Alberta residents with bed accommodations and services at a standard ward level. The patient was responsible for a payment which would vary with the size of the institution; for example, in a hospital with 29 beds or less, the payment was \$1.50/day and in a hospital with 180 beds or more, it was \$2.00/day. This co-insurance was not paid by pensioners, patients authorized by an arthritis clinic, patients approved by a cancer clinic, those with polio, or maternity patients. The details of the association's input into the preparation of the act are studied in the sections on communication, and political-economic conditions.

#### Political-Economic Conditions

The major political-economic conditions examined in this section are centered around the Provincial government's attempts at implementing health insurance. First introduced in Alberta by the United Farmers of Alberta in 1935, the issue of health insurance was continuously before the members of the Alberta Hospital Association until 1958 when the legislature enacted the hospital benefits plan. The hospital



benefits plan was not implemented without regard for the ideas of the association's delegates; the Alberta Hospital Association through its political activity had an opportunity to make recommendations on policy the Provincial government was planning to implement. Many of the association's suggestions were accepted but some were rejected.

One political party, and for all practical purposes one Minister of Public Health governed the health policy of the province from 1943 to 1958. The Social Credit party ascended to power in 1935 and Dr. W. W. Cross was named to the portfolio of Minister of Public Health. Dr. Cross held that position until 1957 when he retired and was replaced by Dr. J. D. Ross. The continuity of one party in government, one Minister, and a stable but expanding Department of Public Health gave the province a relatively consistent and stable form of policy in the field of health.

In 1943, at the annual convention, the delegates of the Alberta Hospital Association went on record as opposing "state" medicine. State medicine was defined as a system of providing medical care, hospital care, nursing care, and dental care under direct state control with the services and personnel being employed and paid by the state. The delegates did support health insurance which was a system of providing medical care, hospital care, nursing care, and dental care under a commission or body entirely free from the government, with the control and cost for the services being administered by a commission (Calgary Herald, November







17, 1943). The delegates resolved that the Alberta Hospital Association would cooperate in the operation of any plan for hospital insurance which maintained high standards of care and was fair to the insured and those institutions and professions rendering the service (Calgary Herald, November 17, 1943).

Much of the thought and activity regarding health insurance was prompted by the National government which was planning for a country-wide health plan but the government was unable to reach a consensus with the provinces on its implementation. At the 1943 annual convention, the President of the Alberta Hospital Association predicted that a national plan would be in full operation by 1946-47.

In 1946, the Minister of Public Health, Dr. Cross, spoke at the Alberta Hospital Association's annual convention and reviewed the Health Insurance Act which had been passed earlier in the year. The act had not yet been proclaimed and there was an opportunity to allow those affected by it to react. The act was passed in the legislature in anticipation of an agreement being reached by the Federal and Provincial governments on the shared responsibility of cost. At the Dominion-Provincial Conference held in April of 1946 the Provincial and National governments were unsuccessful in agreeing on the division of costs so the federal grants were not made available to the provinces (Proceedings, November 6, 1946). The delegates of the Alberta Hospital Association maintained their support for a provincial program of health insurance.



By 1948, a provincial health plan had not yet been implemented and a delegate at the annual convention of the Alberta Hospital Association questioned Dr. W. W. Cross regarding the implementation of a plan. Dr. Cross' partiality to the provincial-municipal plan was obvious when he answered "I am convinced, and so is the government, that our Municipal Hospital Plan is the best plan of hospitalization in operation anywhere in Canada" (Proceedings, November 8, 1948, p. 51). Asked if he would implement a plan like the one in Saskatchewan, Dr. Cross answered that the Department had no intention of doing so. Dr. Cross felt that in recent years, Saskatchewan's plan had fallen into financial difficulty and had found it necessary to double taxes which was something his government did not wish to do (Proceedings, November 8, 1948). Dr. Cross was also opposed to centralizing the operation of a health insurance plan; he felt that it should be left to the municipalities to administer.

The most controversial topic at the Alberta Hospital Association Convention in 1948 was the Provincial government's restrictions on the federal grants for hospital construction. Dr. Cross announced that his Department would not approve any requests for construction grants unless arrangements were made for the hospital to provide hospitalization on a basis similar to the municipal scheme; that is, where the main support came from municipal taxation and rate payers were not charged more than one dollar per day for general ward care.





Dr. Cross envisioned the construction grants as an opportunity to extend the municipal plan to the entire province. The voluntary hospitals were emphatically against this plan and voiced their dissatisfaction to him. The voluntary hospital delegates from the urban centres pointed out that in cities, a large proportion, about 60 per cent, of the population was non-rate payers and that it would be unfair to shift the cost of operating such a plan to home owners. Dr. Cross suggested that non-rate payers could purchase tickets permitting them to share in the plan but many delegates felt that only those who anticipated the need for hospital care would purchase tickets. Those opposed to Dr. Cross' plan also suggested that hospitals could not "municipalize" on their own accord, rather the communities themselves would need to take this action. If a community voted not to add the hospital tax to their tax rate, then it would be impossible for voluntary hospitals in the communities to make use of the construction grants.

The delegates at the convention resolved to send the Minister of Public Health a strong protest against this effort to force urban and voluntary hospitals to come under the municipalization plan. As an alternative, the association did support a plan to make hospital services available to all the people of the province which equitably distributed the cost of hospitalization and was made to observe four points:

1. The plan should be province-wide covering all areas, all residents, and be compulsory.





2. It should be uniform in its operation throughout the province and allow for the free choice of physician and hospital.

3. If a portion of the financial support is to come from property taxation, the extent of that support should be an equal ratio of rate payers to non-rate payers and be supplemented by a compulsory contribution plan.

4. It should make adequate provision for the care of indigents.

In addition, the association felt that construction grants should be made available to non-municipal hospitals in order to alleviate an acute shortage of hospital beds and that a decision regarding a scheme providing for hospital care for all residents should wait until the Health Survey Committee had brought in its recommendations (Canadian Hospital, December, 1948). The Health Survey Committee was established by the Provincial government to study the problems of the provincial health care system.

At the 1949 annual convention, Dr. Cross announced that an extension of the present municipalization plan was being proposed. The new arrangement would be much more generous to the municipalities in that the patients would continue to pay one dollar per day for hospitalization, the government would continue its grant of 70 cents per day but the remainder of the public ward rate would be shared equally by the municipality and the Provincial government. Although criticism of the plan was voiced by non-municipal hospital



delegates, they were pleased by the government's willingness to lend more assistance to municipalities. The delegates passed a resolution recommending a committee of four, representing municipal, church, city, and all other approved hospitals, to assist the Department of Public Health in drafting regulations for the legislation.

In 1950, the government passed the Hospitalization of City Residents Act which provided for the council of any city to enact by-laws to establish a hospitalization scheme under which rate payers and non-rate payers of the city could receive standard ward hospitalization at a cost of one dollar per day or less to the patient. For rate payers, the money to operate the plan would be raised by an increased mill rate and non-rate payers could purchase tickets which would give them access to hospitalization. In 1952, the Hospitals Act was amended to authorize the Department of Public Health to refund to all municipal hospital districts fifty per cent of what the municipalities were paying towards the cost of standard ward care for their residents.

At the 1952 convention, the President of the Alberta Hospital Association reviewed a strongly worded brief which had been presented to the Provincial government regarding the inadequacy of the basic ward rate to hospitals. As a result, the Minister of Public Health appointed a commission on hospital costs and the Alberta Hospital Association was asked to appoint a representative to sit on the commission. The commission recommended that the rates paid to Alberta



hospitals be increased. The government implemented the recommendation.

At the 1956 annual convention, the idea of health insurance was again introduced. In 1956, the government of Canada made an offer to the provinces to share in the cost of such a program. Delegates were urged to take an active role in the development of the plan. Professor J. D. Campbell of the University of Alberta was Chairman of a two-man hospital insurance planning committee appointed by Cabinet a few months prior to prepare a hospitalization insurance plan for Alberta. The second member of the committee was B. H. Foster of the Department of Public Health.

In describing the proposed plan at the 1956 annual convention, Campbell emphasized that it was not final and had not yet been approved by the Provincial government. The opportunity was given to interested groups, however, to express their views and suggestions. The interested parties which had already consulted with the Department of Public Health were the Alberta Hospital Association, Alberta Association of Registered Nurses, and Alberta Medical Association. The association's main concerns were in maintaining standards of service and adequate financial arrangements of the plan (Canadian Hospital, November, 1956).

At the 1957 annual convention, the cooperation between the Department of Public Health and the Alberta Hospital Association was defined as the best it had ever been





(Canadian Hospital, December, 1957). The Department of Public Health had asked for, and received input from, the Alberta Hospital Association and the Hospitalization Benefits Act was written with both parties in agreement with it. The delegates were all pleased with the development of the hospital plan to date. The new Minister of Public Health, Dr. J. D. Ross, stated that Bill 101, Hospitalization Plan, would be implemented by April 1, 1958.

### Goals and Effectiveness of the Alberta Hospital Association

1943 - 1958

When the Alberta Hospital Association and the Alberta Municipal Hospital Association amalgamated in 1943, a new constitution was drawn up and approved by the delegates. The new constitution outlined what were to be the five goals of the Alberta Hospital Association. In his address to the delegates, the President of the association stated that the amalgamation of the two bodies would increase the activities previously performed by the separate organizations and would add strength to the association in attaining its goals (Calgary Herald, November 17, 1943).

The first goal set by the Alberta Hospital Association was "to serve as a means of intercommunication and cooperation between the hospitals in Alberta" (Calgary Herald, November 17, 1943, p. 11). This goal was identical to one expressed in 1919 and displayed the prime function of the association. As is discussed in a later section, the



methods of communication became more sophisticated in the period from 1943 to 1958. The establishment of regional conferences and the distribution of minutes of regional conferences to the Board of Directors of the Alberta Hospital Association and to other hospitals contributed to increasing communication. During this period, the annual convention continued as the prime medium by which hospital administrators and trustees met and discussed the problems and issues confronting them. The organization of the Western Canada Institute expanded the horizons of communication to hospitals across western Canada. Communication with other health care associations in the form of liaison committees also enhanced the flow of information.

With increased communication came cooperation. As hospitals across the province were being faced with an increasingly complex environment, the need to cooperate on issues such as establishing nurses' salaries, organizing a pension plan, negotiating radiology and laboratory rates, and implementing uniform accounting, became more apparent.

The second goal put forth by the Alberta Hospital Association was "to establish, maintain and improve standards of hospital work" (Calgary Herald, November 17, 1947, p. 11). This goal was identical to a goal set in 1919. The cooperation of the Alberta Hospital Association with the Joint Commission on Hospital Accreditation and later the Canadian Council on Hospital Accreditation displayed a commitment of Alberta hospitals to achieving high standards.





During the early 1940's, as in the previous period, the Department of Public Health was responsible for the inspection of hospitals, checking on plans for new buildings and on proposed changes on old buildings and, in a general way, acting in an advisory capacity to small hospitals (Annual Report, 1945). The Alberta Hospital Association encouraged the Department of Public Health to become more involved in an advisory capacity by hiring a nursing advisor and obtaining additional staff to carry out its responsibilities. The Department of Public Health was hesitant to become involved in what it deemed to be the responsibility of the Alberta Hospital Association. By 1955, the Department of Public Health began to play a larger role in the hospital field; for example, the Annual Report of the Department of Public Health in 1955 reports that part of the Department's responsibility is to "supervise the Municipal Hospital Districts throughout the province which administer their own hospitals. The inspection, approval and classification of hospitals in the province. . .and carry on . . .a program of instructing and assisting approved hospitals in organizing a standard cost accounting system" (Annual Report, 1958). With the resources available, the association and the Department of Public Health cooperated in attempting to improve the standards of Alberta hospitals.

"To stimulate hospital development" (Calgary Herald, November 17, 1943, p. 11) was set as the third goal for the Alberta Hospital Association. The provision of the National



hospital construction grants with matching Provincial grants helped generate the construction of hospitals which took place during this period. In 1949, there were 99 approved acute care hospitals with 5,594 beds and by 1958 there were 101 hospitals and 8,912 beds. The development of hospitals was nurtured in another fashion during this period. The post World War II period was the beginning of the introduction of highly technological equipment for hospitals. The extensive exhibits at the annual conventions provided opportunities for hospital administrators to become acquainted with some of the new developments in hospital technology.

The fourth goal of the Alberta Hospital Association was "to make all hospitals aware of the need for more community services" (Calgary Herald, November 17, 1943, p. 11). The prime reason for this goal was to attempt to promote the integration of the hospital to its community. The role of trustees of hospital boards was beginning to take on more significance during this period and it was hoped that their involvement would reflect the needs of the community it served. It was not until the next period, after 1958, that this goal was pursued more actively.

In 1943, with the amalgamation of the municipal hospitals and voluntary hospitals, it was hoped that the adversary role of voluntary hospitals against the Department, which appeared to favour municipal hospitals, would discontinue. In order to promote cooperation between the municipal hospitals, voluntary hospitals, and the association,





the fifth goal of the Alberta Hospital Association was to "correlate as much as possible the work and aims of the hospitals of the province with that of public health departments of the Provincial and Federal governments" (Calgary Herald, November 16, 1943, p. 11). On most occasions during the period 1943 - 1958, a cooperative spirit predominated. It was in 1948, with the restrictions set by the Department of Public Health on construction grants to voluntary hospitals, that a serious conflict arose. The conflict reached its high point in 1949 with the attempts of Dr. Cross to municipalize all hospitals in Alberta. By 1950, with the passage of the Hospitalization of City Residents Act, some of the conflict began to diminish. By 1956, with plans for a provincial hospital insurance program under way, cooperation became necessary. Cooperation reached its high point in 1958 with the effort of the Alberta Hospital Association and Department of Public Health in planning for the new program.

### Internal Operations of the Alberta Hospital Association

1943 - 1958

The purpose of this section is to describe the internal operations of the Alberta Hospital Association from 1943 to 1958.

#### Complexity

The Alberta Hospital Association became structurally more complex between 1943 and 1958 than it had been from





1919 to 1943. The first step toward greater complexity was the amalgamation of the Alberta Hospital Association and the Alberta Municipal Hospital Association. The organization of the regional conferences in 1955 led to the organization of hospitals on a geographic basis to facilitate collective problem-solving and communication among hospitals. The increased complexity prompted discussion of the employment of a full-time Secretary for the association but this did not occur until 1959. The executive structure of the association remained relatively stable throughout the period from 1943 to 1958. There was a substantial increase in the number of internal liaison committees on which members of the Alberta Hospital Association served. The Blue Cross Plan was initiated by the Alberta Hospital Association during this period.

Amalgamation. The formal amalgamation of the Alberta Hospital Association and the Alberta Municipal Hospital Association took place in 1943 after many previous attempts had failed. The two associations, which had been meeting informally since 1936, had intended many times to combine their efforts. The failure to achieve unity was due to a number of factors: (a) the Department of Public Health encouraged the Alberta Municipal Hospital Association to remain independent because it gave the department more control over the municipal hospitals; and (b) the Alberta Municipal Hospital Association felt that it had a separate identity to maintain.



In 1943, the work of Dr. Archer of the Lamont Hospital and J. Barnes of the Calgary General Hospital resolved enough of the differences to make amalgamation possible. A new constitution was drafted and accepted by the delegates on November 17, 1943 at the annual convention (Calgary Herald, November 17, 1943). The new organization was named the Associated Hospitals of Alberta. The purpose of the amalgamation was "to form one strong association without doing away with the separate sections, those of cities and municipalities" (Calgary Herald, November 16, 1943). Although amalgamation had taken place, the municipal hospitals insisted on maintaining a separate section within the association. The municipal hospitals section continued to elect a President, Vice-President, and executive for their own section. The executive for the association was chosen in such a manner that there would be equal representation from both groups.

Regional conferences. The complexity of the Alberta Hospital Association increased during the early 1950's with the organization of the regional conferences. At the 1952 annual convention, a number of delegates suggested that it might be useful for a number of hospitals in one geographic area to organize into regional conferences for the purpose of discussing common problems. In the same year, the Secretary of the association was instructed to write to all hospitals in the province outlining the purpose of the regional conferences (Minutes, November 21, 1952).





Organization was slow but in 1955 nine regional conferences were organized. At the 1957 annual convention, a resolution was passed by the delegates to amend the constitution of the association to define the regional conferences. The regions were defined by the Board of Directors of the association. Each hospital in an area designated as a regional conference was automatically a member of that conference. The conference was to elect a President, Vice-President, and Secretary.

The regional conference meetings were held as often as the hospitals found necessary and each year they would elect a new set of executive officers. The Alberta Hospital Association President attempted to attend at least one of the meetings each year. The minutes of meetings, recommendations, and resolutions of the regional conferences were forwarded to the Board of Directors of the association for review. The minutes would then be circulated to all other regional conferences to keep them informed on what each was doing.

Full-time Secretary. During the period 1943 - 1958, the membership expected more services from the association. As the association and its environment became more complex, more work was generated for the executive officers and committee members. By 1952, it became obvious to the delegates that the Alberta Hospital Association should consider a full-time Secretary to devote all of his time to organizational activities but the Board of Directors felt that there were insufficient funds for this. In 1956, the need for a



full-time Secretary became more apparent and consideration was given to providing office space for him in the proposed Blue Cross Building.

At the 1957 annual convention, delegates of the association passed a resolution that the Board of Directors consider hiring a full-time Secretary. In August 1958, the Board of Directors felt that the person for the job was Mr. M. Ross, Assistant Director of the Canadian Hospital Association. The Board agreed to approach Mr. Ross about the position.

Committees. The majority of the work accomplished during the period 1943 - 1958 by the association was through committees. There were committees to deal with practically every outstanding hospital-related issue of the day. The most important committee was the Economic Committee. The Economic Committee had the job of examining and reviewing the Provincial government's rates of reimbursement for hospitals and presenting studies and recommendations to the Board of Directors on the economic health of the hospital industry. The Legislative Committee was established to study all proposed legislation, legislation in effect, and legislation which might be necessary. A Nominating Committee was established to carry out the mechanics of choosing officers to serve on the executive of the association. A Resolutions Committee was established to study all resolutions put forth by delegates and then make recommendations on them to the Board of Directors. Other important





committees were the Accounting Committee, Convention Committee, and Executive Committee.

A number of joint committees with other health care interest groups were organized to deal with problems of an interdisciplinary nature. These included the Joint Committee of the Alberta Hospital Association and the Alberta Association of Registered Nurses, the Joint Pharmacy and Therapeutics Committee, the Committee for Improvement of Nursing, the Special Committee on Public Welfare, the Workman's Compensation Board Committee, the Joint Committee of the Alberta Hospital Association and Department of Public Health, the Hospital Fact Finding Committee, and the Alberta Health Survey Committee.

#### Formalization

Comparing the Alberta Hospital Association as it was during the period 1943 - 1958 with the Department of Public Health during the same period, the latter was much more formalized. The Department of Public Health had rules and regulations governing the activity of its employees, a definite organizational structure, and the employees had well-defined jobs. The Alberta Hospital Association, on the other hand, did not have any full-time employees or an office. The members of the association served voluntarily on the Board of Directors, in executive positions, and on committees.

If one compares the formalization of the Alberta Hospital Association between 1943 and 1958 to that displayed





between 1919 and 1943, an increase in formalization is evident. For example, at the time of amalgamation in 1943, a new constitution was written to meet the satisfaction of the Alberta Municipal Hospital Association and the Alberta Hospital Association. The constitution allowed the municipal hospitals to maintain their identity by allowing them an existence as a separate sub-section of the association. The sub-section elected their own President, Vice-President, and Secretary. In addition, the executive officers of the Alberta Hospital Association were to be chosen equally from each of the sections to permit equal representation.

In 1948, with the Alberta Hospital Association becoming involved in the Blue Cross Plan, it was necessary for the association to become incorporated. The degree of formalization increased with the proclamation of the act and a set of by-laws to govern its activities. The Act to Incorporate the Associated Hospitals of Alberta, 1948, itemizes the purposes of the association. The purposes of the corporation were:

1. to study, consider, discuss, accumulate and distribute information, and advice to the members of the corporation regarding:
  - (a) the construction, equipment and administration of hospitals;
  - (b) the establishment, maintenance and improvement of standards of hospital work;
  - (c) the co-relation of the work and aims of Alberta hospitals with those of the Provincial and Federal Departments of Health;



- (d) legislation, by-laws, regulations and similar measures affecting the interests of hospitals and hospital work;
- (e) the education and training of nurses and other hospital personnel; rules, regulations or laws in relation to the same;
- (f) the representation of those Alberta hospitals affiliated with the corporation in negotiations with Municipal, Provincial and Federal bodies;
- (g) such other matters as may be related to the hospital as a factor in public health; (Act to Incorporate the Associated Hospitals of Alberta, 1948).

In addition to the above, the act also empowered the association to make and adopt: (a) a constitution and by-laws, (b) rules and regulations for the admission and expulsion of members of the corporation and for their government, (c) different classes of membership for the collection of fees and dues, (d) rules for the election and appointment of directors and other officers, and (e) the definition of their duties. The act also authorized the association to arrange and operate the Blue Cross Plan (Act to Incorporate the Associated Hospitals of Alberta, 1948).

The above excerpts from the act formalized the association to a much greater degree than it had been before but it was not until ten years later, when a full-time Secretary and staff were employed, that the association began to exercise its responsibilities and rights to the full extent.

Increase in the formalization of the Alberta Hospital Association took place on a number of other occasions during the period 1943 - 1958. The organization of regional





conferences in 1955 gave the membership some formalization on a regional basis. The rules for membership were expanded in 1956 and in the same year, five chronic hospitals became members. In 1952, the Alberta Hospital Association, recognizing a problem with the great number of forms required to be filled out for reimbursement from paying agencies, was instructed to develop one form that would suffice for all agencies. The association designed, printed, and distributed the forms to hospitals at cost. Overall, the formalization of the association was greater than what was apparent from 1919 to 1943.

### Centralization

In the period 1943 - 1958, there is evidence of both centralizing and decentralizing tendencies. The centralizing tendency was a result of the enactment of the Act to Incorporate the Associated Hospitals of Alberta in 1948 and the adoption of by-laws for the day-to-day operation of the association. The decentralizing tendency was manifested by the organization of regional conferences which gave the membership of a specific geographic area some autonomy in electing their own executive officers and holding meetings.

Although there was some fluctuation in centralization and decentralization during the 1943 - 1958 period, the end result was more centralization than had been evident from 1919 to 1943. Once the association employed a full-time Secretary and staff, the centralizing tendency would increase.



## Communication

Communication was facilitated in many more ways during the period 1943 - 1948 than it had been in the previous period. The amount of information exchanged among hospitals and between the association and other hospital oriented interest groups increased. The number of briefs prepared and presented to government by the association was greater in number. Regional conferences were held regularly to facilitate interhospital and hospital-association communication. The annual convention continued to play an important part in expressing the collective voice of hospitals.

Briefs. When the Alberta Hospital Association was signaled to a problem in the hospital field by its delegates, one method of expressing their concern was in the form of a brief. During the period 1943 - 1958, many briefs were prepared but the three most important ones are examined here.

The first brief, prepared in 1954 by the Alberta Hospital Association, identified three problems of concern to hospitals. The three problems were: (a) a shortage of nursing personnel, (b) the construction grant program, and (c) capital assistance through low interest loans. As had been the case before 1943, the nursing shortage continued. A survey carried out by the Alberta Hospital Association showed a shortage of 310 graduate nurses and 128 certified nursing aides. There were plans to build an additional 900



general acute beds within the next two years and this was expected to magnify the shortage. The association recommended in the brief that the immediate problem could be solved by training more nurses, therefore nursing schools needed to be expanded, nurses' residence facilities built, and an aggressive recruitment program initiated.

The second issue signaled by the association was the inadequacy of construction grants. When the Federal government made available a construction grant of \$1000/bed matched by \$1000/bed from the Provincial government, the cost of building was between \$2500 and \$3000 per bed. Construction costs in 1954 ranged from \$5000 to \$6000 per bed. Eventually the construction grants were increased to \$2000/bed. The association recommended that the Provincial government increase its contribution and expand the grant to include construction of residences for nurses; this was done later.

The third issue involved the provision of low interest capital assistance to voluntary hospitals which was already available to municipal hospitals. The Alberta Hospital Association felt that the same policy should apply to all hospitals regardless of the hospital's ownership (Minutes, May 17, 1954).

The brief was presented to the Minister of Public Health who responded suggesting that the nursing shortage could be ameliorated by approving a two-year nursing course. With regard to the construction grant program, the Minister felt





that the shortage of active treatment beds was past and the reduction of grants had been based on this. In terms of capital assistance, the minister referred the members of the association to a recent amendment to the Municipal Capital Expenditure Loans Act, 1953, which permitted assistance to all hospitals.

In 1955, the Alberta Hospital Association submitted a brief to Cabinet indicating that the present system of hospital financing was wholly inadequate and recommendations were made for a new rate structure. The brief demonstrated that the increased number of employees in hospitals and higher salaries were contributing to the rising hospital costs. The new recommended rate structure would produce adequate revenue to cover hospital operating costs and should be extended to all hospitals regardless of ownership. At the time, municipal hospitals had access to municipal taxes to cover any inadequacy in the Provincial government rate. The voluntary hospitals did not have access to this financial support but were expected to operate for the same rate as municipal hospitals.

The representatives of the Alberta Hospital Association recommended that for the government rate to be sufficient, it should be based on the average costs in each group of hospitals. The association also suggested that the rates should include depreciation on hospital buildings. The Minister responded to the brief by increasing the per diem grant from 70 cents per day to \$1.00 per day and adding 50



cents to the grant given for maternity patients, pensioners, and extra services. The association argued that this only bolstered the existing rate structure which was unequal in application and outdated. After much negotiating, the rates offered by the Minister were accepted by the Association.

The association had much more success in working with the Department of Public Health in planning for the new hospitalization plan than it did with the two previous briefs. The association met with the planning committee of the Department of Public Health a number of times between 1956 and 1958. The negotiations over the plan culminated in the association's brief to the planning committee. The brief endorsed the principle of complete coverage and commended the Department for dealing with each hospital separately in determining the costs to provide the insured service. The association recommended that outpatient and emergency services, as well as inpatient services, be provided and that the accounting procedures be simplified as much as possible. The preparation and presentation of briefs was an effective method of communicating concerns to the Department of Public Health.

Regional conferences and annual conventions. The communication among hospitals and the association was enhanced during the period 1943 - 1958 through the regional conferences. The minutes of all regional conference meetings were mailed to the Board of Directors of the association who would review them and then circulate them to other regional





conferences. This method of communication kept hospitals informed about the current developments across the province. The regional conferences also acted as a source of recommendations and resolutions to be dealt with at the annual conventions. The annual conventions continued each year during the period 1943 - 1958. The exhibits at the conventions during the 1950's became so extensive that in many instances the facilities were not large enough to accommodate all who wished to display. In addition to the annual conventions, the Western Canada Institute served as an excellent medium for communication among the hospitals of western Canada.

### Technology

During the period 1943 - 1958, the work of the association was multiplying and changing. As the environment became more complex and demanding, the association was faced with many needs requiring attention on behalf of the hospitals.

Negotiating rates. A great deal of the Alberta Hospital Association's efforts were directed toward the adequate provision of funding for hospital services. In 1943, this began with the Department of Public Health and Alberta Hospital Association working together to establish the rates for the maternity benefits plan. During and after World War II, the association negotiated with the Department of Veteran Affairs for a fair settlement for the hospitalization of



dependent soldiers. The Workman's Compensation Board rates for hospitalization which had posed a problem in the previous period persisted during the 1943 - 1958 period. The Alberta Hospital Association was involved with the Federal government in setting "fair" rates of reimbursement for the hospitalization of Indians. The financial responsibility for the hospitalization of indigents persisted as a problem throughout this period. During the 1950's, when the government provided funding for extra services to maternity patients and old-age pensioners, the rates for these services became a contentious issue.

The method of reimbursement to hospitals for maternity patients in 1944 was based on the "point" system. This method of payment was developed by Dr. M. MacEachern and promoted in Canada by Dr. Harvey Agnew. The purpose of the "point" system was to itemize the services and equipment in a hospital. When the list was established, an attempt was made to apportion 1,000 points among the items to give them a relative value. The hospitals were then divided into five classes: A, B, C, D, or E, depending on the number of points they had. At the top were the A hospitals which received \$4.50 per day and at the bottom, E hospitals which received \$3.00 per day (Canadian Hospitals, December, 1944). The Workman's Compensation Board requested that the same format be used for reimbursement of their cases and this was done in 1945 (Calgary Herald, November 9, 1945). The "point" system was later expanded to facilitate reimbursement for



all other hospital services provided by government. The point system was discontinued in 1958 with the introduction of the hospitalization benefits plan.

Inflation was a result of the post World War II economy. Rising costs from year to year prompted the Alberta Hospital Association into arguing that the government grants to hospitals were insufficient. Adjustments were made from year to year but they were never sufficient. In 1953, the Alberta Hospital Association argued that the "point" system of establishing rates was inaccurate and inequitable. For example, the system was based on the equipment and services provided and not factors such as the type, age, and location of the hospital or the economic conditions in the area where it was situated. The Alberta Hospital Association suggested that each institution needed to be evaluated continuously on its own merits and a separate rate be set for each hospital.

Education. The involvement of the Alberta Hospital Association in education during the period 1943 - 1958 was minimal except for providing classes in uniform accounting. During the 1940's, the topic of accounting was discussed at annual conventions for the benefit of administrators and in 1948, the Department of Public Health and the Alberta Hospital Association held twelve workshops in accounting across Alberta. In 1951, Department of Public Health and Alberta Hospital Association representatives again travelled across





Alberta and held lectures on the application of the Canadian Hospital Accounting Manual.

The association's role in education was extended to include courses held on hospital administration for hospital matrons from outlying areas. These were usually taught by the individuals responsible for finance in one of the large city hospitals. In addition to these services, the association promoted the extension course offered by the Canadian Hospital Association on hospital organization and management.

Blue Cross Plan. The Blue Cross Plan was initiated in 1948 by the Alberta Hospital Association. The Blue Cross Plan's historical roots are traced to 1933 when four Edmonton hospitals cooperated to form the Edmonton Group Hospital Board which entitled a purchaser of a subscription to insured hospitalization. The plan was very popular but never extended beyond Edmonton. By 1946, the plan had 20,000 participants.

In 1947, the delegates at the annual convention passed a resolution requesting the incoming executive to contact all hospital groups operating hospitalization plans and encourage them to amalgamate into one group (Proceedings, 1947). On July 1, 1948, all arrangements were made and the Blue Cross Plan went into operation. The plan was financed by the hospitals and appeared to be on the brink of disaster after the first year but within a few years it began to show a surplus. By 1955, the plan was financially sound and its directors requested permission from the Alberta Hospital



Association to put up a building. The first Blue Cross Building was erected in 1957. By 1962, the building was insufficient and the present larger building was erected.

Management, employee needs. Acting as a collective voice for hospitals, the Alberta Hospital Association began assuming tasks which were oriented towards labour relations. The need for a pension plan, a general liability insurance program, consultation in union matters, a schedule of nurses' salaries, exclusion of hospital employees from the Labour Act, exclusion of hospital employees from the Federal Unemployment Insurance Act, and the compulsory inclusion of hospital employees in the Workman's Compensation Board were issues the association was involved in between 1943 and 1958. At the 1950 annual convention, the delegates first expressed an interest in a pension plan for hospital employees and a special committee was established to investigate the matter. At the 1952 annual convention, delegates were of the opinion that a pension plan could not be organized for employees under the Municipal Hospitals Act so the delegates resolved to have the act amended. The resolution was put to the association's solicitor and it was his opinion that nothing in the act could prevent hospital boards from implementing a pension plan. Once this was clear, the Secretary of the association was instructed to write to all the member hospitals to make them aware of this opinion (Minutes, February 12, 1953). In 1954, the delegates requested that the association explore how a pension plan





could be implemented. The response from hospitals to the plan was very slow and by 1958 nothing had been implemented. It was not until 1962 that the Local Authorities Pension Plan was introduced for hospital employees.

During the 1950's, the delegates of the association expressed an interest in having a collective crime and liability insurance program for hospitals. The coordination of such a program required more resources than the association had available so it was not until 1962 that a general insurance program was introduced.

By 1946, the topic of unionization of hospital employees was prevalent at annual conventions. At the 1947 annual convention, delegates were urged to standardize the form of agreement signed with employee unions rather than attempting to prevent unionization (Edmonton Journal, October 22, 1947). In 1957, all employees in hospitals were brought under the Workman's Compensation Board, a move which the association had been promoting. The Alberta Hospital Association campaigned to have hospital employees excluded from the Labour Act so that they could not strike. In 1955, the Department of Public Health and the Alberta Hospital Association agreed that hospital employees should be excluded from the Labour Act but this did not materialize in legislation. The association requested that the Federal government exclude employees from the Unemployment Insurance Act because hospital work was not seasonal.



In 1945, the Alberta Hospital Association agreed to adopt the recommendations of a joint committee of the association and the Alberta Association of Registered Nurses regarding nurses' minimal salaries, vacation, and sick leave. A schedule was sent to the hospitals across Alberta to serve as a guide for setting salaries. The Alberta Association of Registered Nurses continued to negotiate with the Alberta Hospital Association to have the rates raised to reasonable levels since the cost of living increased from year to year.

Future technological needs. By 1958, it was becoming obvious that the lack of a full-time Secretary, staff, and an office was to the detriment of the association. Although the association had managed through voluntary effort to become incorporated in 1948, and had helped plan the hospital benefits plan in 1958, many needs were left unattended. At the 1958 annual convention, the Minister of Public Health stated "Hospitals are calling for additional assistance, consultation services and special courses of instruction. Your directorate and the department agreed these responsibilities can be better assumed by the Alberta Hospital Association than by the department" (Proceedings, 1958, p. 11). The association established a full-time office and staff the next year to meet the increasing needs of hospitals.

#### Relationships Among the Variables

In the preceding sections of this Chapter, the environment, goals, and internal operations of the Alberta Hospital



Association were described separately. The purpose of this section is to explore the relationships between and among the variables. First, an analysis of the interaction between the environment and goals is examined. Second, the interaction between environment and internal operations is analyzed. Third, an analysis of the interaction between the goals and internal operations is done. Fourth, an analysis of the relationships among the three variables, environment, goals and internal operations, is carried out.

### Environment and Goals

The first goal established by the Alberta Hospital Association at the 1943 annual convention was "to serve as a means of intercommunication and cooperation between the hospitals in Alberta" (Calgary Herald, November 17, 1943, p. 11). The first goal, identical to one set in 1919, was a continued commitment of the association to organize a relatively disorderly environment in which hospitals were operating as separate entities with little intercommunication and cooperation. The association, in attempting to achieve the first goal, worked toward organizing a cooperative and orderly provincial hospital system. Although the nature of the hospital system prompted the association to adopt the first goal, the reverse is also true--in adopting and working toward the first goal, the association influenced the environment.





Specific environmental conditions were responsible for the setting of the first goal. If Alberta hospitals were to implement a standardized uniform accounting system, achieve accreditation on a large scale, and ameliorate the nursing shortage, they would need to work together. The association was to be the organization to attain these ends. Legal conditions had an impact on the first goal. If the hospitals of Alberta were to operate within the legislation to provide hospital services, then they were required to cooperatively determine how the programs should be implemented. The political conditions of the environment, a prelude to the legal conditions, provided an opportunity for the association to act as a political force to counteract the activity of the government in the field of hospital care. These, briefly, were the interactions between the first goal and the environment of the Alberta Hospital Association.

The second goal of the association was "to establish, maintain, and improve standards of hospital work" (Calgary Herald, November 17, 1943, p. 11). The association established the second goal because of the environmental conditions. The application to hospitals of uniform accounting, accreditation, and improved nursing care were forcing Alberta hospitals to improve standards. In working toward the second goal, the association influenced the environment by helping to improve the standards in hospitals.

The third goal established by the Alberta Hospital Association was "to stimulate hospital development" (Calgary



Herald, November 17, 1943, p. 11). This goal arose from the need, in many areas of the province, for hospital services and the improvement of services in others. Closely linked to the third goal was the fourth goal which was to "make all hospitals aware of the need for more community service" (Calgary Herald, November 17, 1943, p. 11). This goal was established to ensure that hospitals would attempt to meet whatever hospital related needs existed in the community. This goal was not actively pursued until after 1958 when the involvement of trustees in the hospital system became more prominent.

The fifth goal established in 1943 was to "correlate as much as possible the work and aims of the hospitals of the province with that of the Public Health Departments of the Provincial and Federal government" (Calgary Herald, November 17, 1943, p. 11). This goal was established because of the increased activity of the respective governments in the field of hospital insurance.

It appears that the goals of the Alberta Hospital Association were established in response to an environment which was affecting the member hospitals and the association. This is not to say that the environment was not affected by the goals, but only affected to a lesser degree.

#### Environment and Internal Operations

For the period 1943 - 1958, the Alberta Hospital Association demonstrated evidence of a somewhat more complex





structure than had been the case from 1919 to 1943. Technological conditions such as the establishment of uniform accounting practices and the commitment towards accreditation were two factors which the Alberta Hospital Association assimilated into its activities. Structurally, the technological conditions manifested themselves in the association's establishment of a committee on uniform accounting and the organization of accounting institutes. The processes involved the distribution and education of member institutions in the utilization of the Canadian Hospital Accounting Manual and frequent discussion at annual conventions about ways to achieve accreditation standards.

A third technological condition of consequence to Alberta hospitals and the Alberta Hospital Association was the nursing shortage which persisted from the period 1919 - 1943. The problem was solved to a great extent by the late 1950's with the cooperative effort of the Alberta Hospital Association and the Department of Public Health. The establishment of a nurse placement officer in the Department of Public Health, the creation of a certified nursing aides' program, acceleration of the nursing program in hospital nursing schools, and provision of more nursing schools and nurses' residences helped remedy this situation. Structurally, this technological condition was responded to by the establishment of a committee on the improvement of nursing, and its work and recommendations were the processes.



The Western Canada Institute was another technological condition which affected the Alberta Hospital Association. The interaction of hospital administrators from the four western provinces permitted an opportunity for educational sessions, discussion of common problems and the determination of solutions. Many of the ideas generated at the institutes were brought back for discussion at the association's conventions.

The Alberta Hospital Association was influenced by, and to some extent influenced, the technological conditions of the environment. The Alberta Hospital Association, through its activities, influenced the technological conditions of the environment by implementing uniform accounting and promulgating the standards of accreditation. The activities in solving the nursing shortage problem was another impact on the environment. The interaction between the technological conditions and the internal operations was in both directions.

Legal conditions affected the internal operations of the Alberta Hospital Association. During the period 1919 - 1943, the Hospitals Act and Municipal Hospitals Act were passed and continued to be in force until 1958 when the hospitalization benefits plan was put into effect. From 1943 to 1958, a number of new acts pertaining to hospitalization were passed and affected the Alberta Hospital Association. The Maternity Hospitalization Act, Health Insurance Act, Hospitalization of City Residents Act, and



Hospitalization Benefits Act were all enacted between 1943 and 1958. The involvement of government in the provision of hospital services had a number of influences on the Alberta Hospital Association. It necessitated that the association bargain on behalf of the member hospitals for rates and conditions that would be satisfactory to all members. Structurally, this was done through a liaison committee with the Department of Public Health and a close working relationship with staff members of the Hospitals Division. The interaction of the Department of Public Health and Alberta Hospital Association was in both directions, legally the association was compelled to abide by the legal conditions, but politically they could pressure the government for changes in conditions or rates with which they were dissatisfied.

From the above analysis, it appears that the internal operations of the association were influenced by the environment a great deal. Technological, legal, and political-economic conditions affected the type of work the association undertook. Although this was the case most of the time, the association's internal operations also affected the environment. By bringing pressure to bear on the Department of Public Health, amendments were made to the acts to make them more satisfactory to hospitals and increased rates were negotiated to provide more funds for hospital care.

Hall observed that "there is a strong tendency for organizations to become more complex as their activities





become more complex" (Hall, 1977, p. 393). This statement is supported by the increased complexity evident in the period 1943 - 1958 as compared to 1919 - 1943.

### Goals and Internal Operations

The goals of interest during the period 1919 - 1943 were established in 1943 following the amalgamation of the two associations. The goals established in 1943 were similar to those proposed in 1919.

The first goal set was for the Alberta Hospital Association "to serve as a means of intercommunication and cooperation between the hospitals of Alberta" (Calgary Herald, November 17, 1943). Although much of the structure and processes had already been established in the previous period, the more complex environment dictated that the association refine and build on its internal operations. The first step toward the goal was made with the amalgamation of the two associations; although the municipal hospitals insisted on a separate identity within the organization, this was the initial step toward cooperation between municipal and voluntary hospitals. To facilitate communication and cooperation, the association promoted the organization of regional conferences which allowed the membership of a common geographic region to meet as often as necessary to discuss common problems and potential solutions to them. Communication and cooperation were also promoted by the association's annual conventions and expanded committee



structure. Committee work facilitated a cooperative approach to problems facing the association's membership.

The second goal of the association, "to establish, maintain and improve standards of hospital work" (Calgary Herald, November 17, 1943, p. 11), was pursued by a number of the association's activities. The establishment of a committee on uniform accounting, cooperation with the accreditation program, and participation in the work of the committee on the improvement of nursing, all contributed to improved hospital functioning and close liaison of the association with the Department of Public Health. This was in the interest of ensuring that government activity in the provision of hospital services would be satisfactory to all parties concerned. The third goal, to stimulate hospital development, was not actively pursued during the period 1943 - 1958. Although the association did not discourage hospital development, it did not have the resources available to determine where needs were not being met. The fourth goal of the association was "to make all hospitals aware of the need for more community service" (Calgary Herald, November 17, 1943, p. 11). This goal was not actively pursued in the period 1943 - 1958, but became of paramount importance in the later period, 1958 - 1971, when the role of trustees was encouraged.

The fifth goal, "to correlate as much as possible the work and aims of hospitals of the province with that of Public Health Departments of the Provincial and Federal





governments" (Calgary Herald, November 17, 1943, p. 11) was pursued to some extent but the limited resources of the association did not permit the activity required. With the participation of the Federal government in the hospital care field and the Provincial government in financing hospital care, the need to evaluate the government's proposals became increasingly necessary. The association sought to develop the internal operations for these purposes but delegates soon realized that a full-time staff was required to effectively achieve this end. The immediate needs were partially fulfilled by the association's liaison with the Provincial Department of Public Health and the association's participation in planning the provincial hospitalization benefits plan.

#### Environment, Goals and Internal Operations

The three organizational variables: environment, goals and internal operations, did not exist independently from each other. The technological conditions of the environment such as uniform accounting, accreditation, and the nurses' shortage presented the context in which the goals of establishing and maintaining improved standards of hospital work were set. In order to achieve these goals, the internal operations of the association became more complex by the formation of a committee on uniform accounting and a committee on the improvement of nursing services. The processes of the association, in attempting to deal with the environmental



conditions, included the presentation of briefs to government, active liaison with the Department of Public Health and promoting hospital standards. Through its activities, the association was relatively successful in altering the environment so that uniform accounting and the nursing shortage were well under way to being solved by the end of the period.

The legal conditions of the environment that existed and were emerging during the period 1943 - 1958 established the rules by which the association's membership operated. The association made recommendations to government on issues they were dissatisfied with, such as the extent of services that were provided and the rates of reimbursement. The emerging legal conditions during the period increased the complexity of the environment, which in turn increased the complexity of the association. As more legislation was passed, the activity of the legislative committee increased to ensure that the legislation would be acceptable to the membership. The increased complexity of the environment suggests that formalization and centralization should have increased in the internal operations of the association; they did not, however, primarily because resources were not available to establish a full-time office and Executive Director. The political conditions which were a prelude to the legal conditions offered the association an opportunity to be politically active. As a result, the liaison with the



Department of Public Health was actively pursued by the presentation of briefs to the Cabinet of government.





## CHAPTER V

### The History of the Alberta Hospital Association 1959 - 1971

The purpose of this chapter is to describe and analyze the history of the Alberta Hospital Association for the period 1959 - 1971. In section one of Chapter V, the environmental conditions of the Alberta Hospital Association are described. Section two is a description and analysis of the goals of the Alberta Hospital Association. The internal operations of the Alberta Hospital Association are described in section three of the Chapter. Section four is an analysis of the interaction among the organizational variables.

#### The Environment of the Alberta Hospital Association

1959 - 1971

There were many more complex activities apparent in the environment of the Alberta Hospital Association during the period 1959 - 1971 than had existed in the previous periods. The implementation of a provincial hospital insurance program, the organization of hospital personnel into trade unions, and technical and professional associations for labour negotiation purposes, the escalation of public funds spent on the hospital sector, and the need for educational and consultative services to the hospital field were all factors in the environment which had a great impact on the Alberta Hospital



Association. In the next section, the technological conditions of the environment are examined in detail.

### Technological Conditions

The main source of technological uncertainty for the association during the period 1959 - 1971 had its origin in the Department of Public Health's Hospitals Division. In July 1957, the Hospitals Division was established as a separate division of the Department of Public Health with its own Director. The Hospitals Division was responsible for administering the Alberta hospitalization plan. The Hospitals Division generated the development of a hospital accounting system which would provide information to the government and an indices program to provide a tool for hospital administration. Other technological aspects affecting the Alberta Hospital Association were the accreditation program and the organizing activity of trade unions, technical associations, and professional associations of hospital employees for the purpose of labour negotiations.

Hospitalization Benefits Plan. The Hospitals Division of the Department of Public Health was given the responsibility of administering the Hospitalization Benefits Plan which was introduced on April 1, 1958. The duties and powers of the Hospitals Division included:





1. approval of location and construction of hospitals,
2. training of hospital personnel to the extent that training costs are treated as a hospital cost,
3. determination, approval and maintenance of adequate standards of service rendered within a hospital,
4. provision of consulting services involving the operation of a hospital to the extent and at such times as deemed necessary,
5. inspection and supervision of hospitals other than in respect to medical services rendered by the hospital medical staff, and
6. paying of hospitals for insured services and the approval of rates determined (Annual Report, 1958, p. 1).

Because the responsibilities of the Hospitals Division were wide, consideration was given in 1958 to delegating some of the authority for consulting to the Alberta Hospital Association (Annual Report, Hospitals Division, 1958). In 1960, the Hospitals Division delegated its authority to the Alberta Hospital Association for "provision of consulting services involving the operation of a hospital" (Annual Report, 1960, p. 2). The formal extension of responsibility for consulting to the Alberta Hospital Association opened a whole area where the Alberta Hospital Association could make a contribution to the operation of the plan. The full impact of the extension of consulting services to the Alberta Hospital Association is delineated in detail in the section on internal operations.



In 1959, the Department of Public Health, recognizing the problem of insufficient long-term care beds in the province, extended the use of chronic care beds under the hospitalization plan. On April 1, 1959, ten existing auxiliary hospitals with a capacity of 665 beds were approved for operation under the plan. The Provincial government also entered into contracts with the existing nursing homes which had been approved by municipalities for the accommodation of chronic patients. In 1960, the Auxiliary Hospitals Act was enacted and established the operation of chronic treatment hospitals (Annual Report, 1960).

In December 1962, an Order In Council established a Custodial Care Study Committee to investigate custodial care in the province and to make recommendations for the implementation of a custodial care program. The Alberta Hospital Association did not have members on the committee but it was given the opportunity of expressing views on how such a program should be organized. The committee presented its final report and recommendations in December 1963 and, as a result, a nursing homes program was introduced in 1964. The nursing homes became Associate Members of the association in 1964 and in 1966 they became Active Members.

In 1964, the Department of Public Health approved the enrollment of general hospitals in a Professional Activity Study program operated by the PAS Commission of Ann Arbor, Michigan. The Hospitals Division, in 1964, also began to



prepare a computer-oriented indices program. The Hospitals Division hoped to provide hospital administration with a tool for the effective and efficient operation of hospitals. The indices program became fully operational in 1965.

The extension of the hospitalization benefits plan and the nursing home plan led to major technological conditions which affected the Alberta Hospital Association. The Provincial government, under the hospitalization plan, provided outpatient services for pensioners in 1958. In August 1965, the government extended the benefits of the plan to include all outpatient services in the hospital, and radiology and laboratory services outside of the hospital. Once coverage for outpatient services had been extended to the general population, there was in place in Alberta a comprehensive institutional care system. The coverage included hospital inpatient care, auxiliary hospital care, nursing home care, and outpatient services.

The Department of Public Health's extension of its responsibility for consultative services to the Alberta Hospital Association was the technological condition which had the greatest impact on the association. In the first year of providing a consultative service, it became obvious to the staff of the association that many of the problems in the institutions requiring consulting help were common between institutions.





Accreditation. The 1961 annual report of the Canadian Commission on Hospital Accreditation reported that Alberta had the lowest percentage of accredited hospitals in Canada. Of 79 hospitals which were eligible for accreditation, only 20 were accredited (HospitAlta, September 1962). In 1961, the Alberta Hospital Association felt that more hospitals should attempt to become accredited and encouraged accreditation in its monthly newsletter. The accreditation program was not actively encouraged by the Department of Public Health.

During the years 1963 to 1965, the number of accredited hospitals in the province remained constant but by 1966, a total of 25 Alberta hospitals were accredited. The Alberta Hospital Association encouraged hospitals with less than 75 beds to apply for accreditation and in 1967 the number of accredited hospitals increased to 33 (HospitAlta, January 1967). Progress continued to be made and in 1970, 40 hospitals were accredited. In January 1970, the Canadian Council on Hospital Accreditation extended its accreditation program to include extended care centres. The Canadian Council on Hospital Accreditation also had an active promotional program in cooperation with hospital, medical and nursing associations to engage Canadian hospitals of all sizes and ownership in the accreditation program (HospitAlta, March/April, 1970). In 1971, 43 Alberta hospitals were accredited. Accreditation was actively supported by the association during the period 1959 - 1971 by promoting



accreditation at annual conventions and printing articles on accreditation in its newsletters.

Hospital employee organization. The organization of hospital employees into trade unions, technical associations, and professional associations was another significant technological condition which affected the Alberta Hospital Association in the period 1959 - 1971. Hospital employee organizations picked up momentum shortly after World War II and continued to grow until collective bargaining for many of the hospital employee groups had been achieved. The Alberta Hospital Association's role in labour negotiations began with the establishment of a committee on personnel policies whose responsibility it was to make recommendations to hospital boards regarding nurses' salaries shortly after World War II. The initial purpose of the committee was to raise the salary levels of nurses in rural parts of Alberta. In 1958, the Alberta Association of Registered Nurses singled out a number of their representatives to sit on a liaison committee with the Alberta Hospital Association to determine personnel policies for nurses. Before 1958, the Alberta Hospital Association and the Alberta Association of Registered Nurses met on an informal basis and agreed on a salary schedule without much difficulty. By 1958, the Alberta Association of Registered Nurses had become more assertive in the salaries and policies they sought.

At the same time, other technical and professional associations representing hospital employees became interested





in negotiating for wages. In 1958, the Alberta Hospital Association, on a request from the delegates at the annual convention, was requested to develop a schedule of salaries based on various provinces' wages for nurses, nurses' aides, laboratory technicians, x-ray technicians, physiotherapists, and dieticians (Minutes, November 17, 1958). The committee responsible for preparing the salary schedule was the personnel policy committee.

In 1964, the Alberta Association of Registered Nurses was showing a great deal more concern and unrest regarding their salaries. The Alberta Association of Registered Nurses began, in 1963, to organize staff associations in hospitals which were expected to negotiate salaries with the hospital boards. The Alberta Hospital Association took on the responsibility of voluntarily bargaining for the hospital boards, if so requested. In order to avoid the problem of whipsaw tactics, the association felt that province-wide collective bargaining should be pursued. In 1965, the Associated Hospitals of Alberta Act was amended to enable the association to enter into collective bargaining (Minutes, February 24, 1965). In 1965, the Alberta Hospital Association employed a labour relations officer to help coordinate the bargaining activities in the province. By 1966, the list of groups with which hospitals and the association were bargaining had grown considerably. The groups were:

1. Alberta Certified Nursing Aide Association,
  2. The Canadian Society of Laboratory Technicians,
- Alberta Division,



3. The Canadian Society of Radiology Technicians,  
Alberta Division,
4. The Alberta Society of Occupational Therapists,
5. The Association of Chartered Physiotherapists of  
Alberta,
6. The Alberta Association of Medical Record Librarians,
7. Inhalation Therapy Technicians, and
8. Dietary Service Technicians.

In 1968, where requested, the Alberta Hospital Association bargained with the Canadian Union of Public Employees, the Alberta Association of Registered Nurses, the Alberta Registered Dietitians Associations, and the Canadian Society of Hospital Pharmacists, Alberta Branch. The Alberta Hospital Association and the employee representatives bargained on a voluntary basis. The activity in the labour relations field led the Alberta Hospital Association to develop its labour relations program which is described in detail in the section on internal operations.

### Legal Conditions

The provincial-municipal hospitalization plan introduced in Alberta in 1950 was replaced on April 1, 1958 with the Alberta hospitalization plan. Unlike the previous plan which covered only ratepayers and contract holders who had an agreement with the local municipality, the Alberta Hospitalization Benefits Act covered all persons who made their homes in Alberta and entitled them to insured services at any approved



hospital of their choice. Outpatient services were included but limited to pensioners in 1959, and chronic care institutions were not included in the plan. There were plans, however, to make certain categories of chronic patients eligible in 1959 (Annual Report, 1958).

The hospitalization benefits plan was financed by the patient, the municipality, and Provincial and Federal governments. When the plan was introduced, the Provincial government collected from municipalities an amount equal to a 3 mill tax levy based on an equalized assessment throughout the province. The Provincial government undertook to pay all reasonable hospital costs after deducting the revenues received by the hospital from the patient. The patient was charged a daily fee known as the coinsurance payment which was based on the size of the hospital to which he was admitted. The Provincial government received from the Federal government approximately 50 per cent of its expenditures under the terms of the Federal-Provincial agreement. If a hospital's costs exceeded its revenues under the plan, its position would be reviewed by Provincial authorities and if the excess was deemed reasonable, it would be paid--otherwise the excess costs were left with the owner of the hospital. In April 1959, the Provincial government extended its financial support to capital costs of hospitals. To offset the increased expenditure for capital cost, the government increased the municipal tax contribution from three to four mills.





In 1960, the Auxiliary Hospitals Act authorized the establishment and operation of chronic hospitals in order to relieve general hospitals of pressure from long-term patients. The act entitled the Minister of Public Health to divide the province into areas by municipalities and establish areas as auxiliary hospital districts. The Minister would then initiate an auxiliary hospital program to be prepared for the district and submitted to the council of each of the concerned municipalities for approval. If the council approved the program, it was then referred to the Lieutenant Governor In Council to incorporate the auxiliary hospital district. Members for the board of the auxiliary hospital district were nominated by the council of the municipalities involved. The board was given the authority to acquire land and to build the extended care facility. The Alberta Hospital Association prepared a brief stating their views on the proposed organization of auxiliary hospitals. The association's position was that the task of running auxiliary hospitals be given to the already existing hospital districts rather than creating new districts. The Department of Public Health was reluctant though to have general and auxiliary hospitals operated by the same board.

In 1961, a new Alberta Hospitals Act was proclaimed in the legislature which replaced the existing Hospitals Act, Municipal Hospitals Act, Hospitalization Benefits Act, and Auxiliary Hospitals Act. The new Alberta Hospitals Act was divided into three sections: Part I was concerned with the



establishment and organization of municipal and auxiliary hospitals, Part II dealt with standards to be maintained and described the management of approved hospitals, and Part III was addressed to the hospitalization benefits and payments to hospitals.

Early in 1961, the Department of Public Health and the Alberta Hospital Association agreed that the acts described above were in need of review. The Alberta Hospital Association established a committee on legislation on January 27, 1961 for the purpose of studying and making recommendations in respect to legislation and regulations relating to the establishment or operation of hospitals. The legislation committee reviewed the proposed legislation and redrafted much of the new hospital legislation making the Hospitals Division aware of any changes which the association thought were necessary. The Alberta Hospitals Act received assent on April 12, 1961 and was effective beginning April 1, 1961 (Minutes, May 5, 1961). The Nursing Homes Act came into being on April 1, 1964; it provided for the establishment of a nursing home program for the province and made provision for financial assistance to eligible patients receiving nursing home care. The Nursing Homes Act enabled the auxiliary hospital districts to expand their scope to include nursing homes and to be renamed as an auxiliary hospital and nursing home district. Private enterprise, voluntary organizations, and municipal corporations could apply for the establishment of a nursing home. The Nursing Homes Act and





regulations were reviewed at a meeting of the Alberta Hospital Association and the Hospitals Division prior to the presentation of the act in the legislature, but the association's input was minimal.

On April 1, 1971, the responsibility for the Hospitals Division of the Department of Public Health was transferred to the Hospital Services Commission. The Alberta Hospital Association did not voice approval or disapproval regarding these changes but agreed that the hospitalization plan could be managed by a commission. In a brief to Cabinet, the association's view that cooperation between the commission and association should be nurtured was made known:

We see no need for this change to alter the attitude or policy of the association. It shall be our objective to cooperate with the agency chosen by the government and to assist in every way possible to achieve an orderly transition. We do visualize a continuing need for regular and frequent liaison and a continuing role for the association as a focal point of hospital opinion and a duty to communicate that opinion to the Commission and in some instances to communicate it to the Government. . . We pledge ourselves to maintain the traditional spirit of partnership and good will which have characterized these relationships and to support or criticize as we believe the circumstances warrant (Minutes, January 15, 1971).

Overall, the legal changes during the period 1959 - 1971 had a great impact on the Alberta Hospital Association. The Auxiliary Hospitals Act broadened the provision of hospital services in the province and created a new group of membership for the Alberta Hospital Association. The cooperative efforts of the Hospitals Division and Alberta Hospital Association in redrafting provincial hospital legislation into the Alberta Hospitals Act has withstood the test of time and



required only minor modification. The Alberta Nursing Homes Act completed government provision of institutional care and created a new group of membership for the Alberta Hospital Association.

### Political-Economic Conditions

The political-economic circumstances which affected the Alberta Hospital Association in the period 1959 - 1971 were mainly related to the provincial hospitalization benefits plan. The Alberta Hospital Association and the Department of Public Health had a relationship which varied from supportive to highly critical during the period 1919 - 1955 depending on the period of time and the issues at stake. In 1956, 1957, and 1958, the Department of Public Health and the Alberta Hospital Association achieved a level of cooperation which had never existed before, nor was it achieved again during the period 1959 - 1971. The cooperative spirit was a result of the work the two groups did in preparing for the implementation of the hospital benefits plan.

The unanimity of view which had prevailed began to lessen in 1958 when the Department of Public Health announced that instead of paying for depreciation on hospital equipment, they would pay for equipment when purchased. The Alberta Hospital Association feared that there would be an erosion of hospital autonomy regarding the type of equipment to be purchased. The association's protests were to no avail; in January 1959, a Ministerial Order dictated that approval





from the Hospitals Division was necessary for purchases of equipment over \$1,500 (Minutes, January 7, 1959). The cooperative spirit dissipated even further later in 1959 when the Hospitals Act was amended with no prior consultation with the Alberta Hospital Association. The Board of Directors of the association called a meeting with the Minister of Public Health and the President of the association suggested that in future the association ought to have an:

opportunity to review proposed legislation and to discuss it with the Minister before it was finally drafted and similarly to review the proposed content of Orders-In-Council and Regulations affecting hospitals, and for reviewing and discussing directives, report forms and the like with the hospitals division before these reached final form (Minutes, November 10, 1959).

The Minister of Public Health assured the association's representatives that the Department wanted to maintain a good relationship in developing and improving the government's hospital program. The reason given for not consulting with the association was that the amendments were only a consolidation of the act and did not change the substance of the act.

In working toward the creation of the provincial hospitalization plan, the Department of Public Health agreed that the Alberta Hospital Association would expand its program along the lines of providing consultative and educational services to Alberta hospitals. Once the hospitalization plan was underway, the Department of Public Health was anxious to see that the association made progress in developing a consulting program. The Director of the Hospitals Division





stressed that although the association was playing an integral role in the plan, its affairs "must be scrutinized by the hospitals division as closely as any other aspect of the plan" (Minutes, November 10, 1959). The Board of Directors assured the Director of the Hospitals Division that the funds from membership fees to finance the association's activities were being properly spent.

The interaction between the Alberta Hospital Association and the Hospitals Division fluctuated in its cooperativeness depending on the issues outstanding at the time. The central issue of contention was generally regarding the Hospitals Division's encroachment into the realm of hospital management with the result that local hospital authorities were losing autonomy to the Department of Public Health. Judge Buchanan pointed out that this relationship was not unique, in fact he expressed the view that:

It was the duty of the provincial hospital association to take all possible steps to forestall and prevent incursion into the internal affairs of hospitals by governmental paying agencies. This meant a constant struggle or "comfortable war" although not necessarily hostility between hospitals collectively and the Department (Minutes, September 28, 1962).

On the other hand, Dr. Ross, the Minister of Public Health, felt that it was the government's responsibility to be vigilant since it was the public's funds being used.

A political-economic circumstance which had a profound influence on Alberta hospitals, and in turn on the Alberta Hospital Association, was the government's approach to containing costs of the hospital plan. In a letter received



in April 1961 from the Hospitals Division, the association was informed that the 1961/62 budget would attempt to level off the upward spiral of hospital costs which had occurred in the past few years. The Alberta Hospital Association was given the responsibility of circulating a letter to all hospital boards making them aware of the government policy. The government set the guideline of increasing the funding to hospitals by no more than 3% of 1960's costs (Minutes, June 12, 13, 1961). The letter generated an immediate response from the Council of Metropolitan General Hospitals whose recommendation was that:

the Associated Hospitals of Alberta be asked to prepare a brief for submission to the Minister of Public Health setting forth the reasons for increases in hospital costs and the inadequacy of three percent interim adjustment payment for the member hospitals (Minutes, September 18, 1961).

The brief was prepared and sent to the Minister of Public Health but no sympathetic reply ensued.

In 1962, the dissatisfaction of hospital boards and the Alberta Hospital Association prompted the association to seek a meeting with Premier Manning and the Minister of Public Health, Dr. Ross, to express their concerns. A meeting was set for May 1962, and the Alberta Hospital Association voiced the concerns of Alberta hospitals. The Premier and Minister were appreciative of being informed of problems in the hospital system and recommended that the Alberta Hospital Association meet with Cabinet annually to present their ideas on the status of the provincial hospital plan (Minutes, May 4, 1962). The presentation of briefs to Cabinet





continued on an annual basis from 1962 to 1972. For the period 1962 - 1966, the government restrained the allocation of funds to hospitals; and deficits were incurred by a number of hospitals. In 1964, the Minister of Public Health, at a meeting of the Board of Directors of the Alberta Hospital Association, pointed out that:

it was the objective of the government to pay for the actual cost of operation of all hospitals; on the other hand, it was necessary to maintain "pressure" on hospitals in respect of operating costs in order to keep them at a reasonable level (Minutes, September 29, 1964).

The Alberta Hospital Association representative agreed that restraint of costs was necessary but that some more equitable form besides a percentage increase in rated bed rates was necessary. The association suggested that the increases should reflect the size of the hospital and the service it provided.

In 1967 and 1968, hospital costs soared. In June 1968, the government took a hard line in attempting to control hospital costs and limited the financial allocation to hospitals to a level which generated deficits of 2.8 million dollars in 1967 and a projected 4.5 million dollar deficit for 1968. Hospitals across the province were furious and suggested that the government was abrogating its responsibility in providing hospital care. The Alberta Hospital Association prepared a brief in reaction to the recent government policy and presented it to Cabinet in August 1968. At the meeting with Cabinet, Premier Manning stated that expenditures for health were placing a heavy demand on



provincial funds and he expressed alarm at the increase in overall expenditures which far exceeded the rate of increase in economic growth. The Premier felt that although it was not yet known how it could be accomplished, it was the objective of the government to develop some means of maintaining a realistic percentage increase per year. The Premier announced that the Provincial Treasurer had been named to be chairman of a committee which would make recommendations with respect to a formula for the allocation of funds to hospitals (Minutes, August 6, 7, 1968).

The Provincial Treasurer pointed out that there was a need for government and hospitals to work together. The Provincial Treasurer saw the responsibility of government and hospital boards as being:

1. achievement of a more modest scale of increases in the future,
2. development of a better formula for distribution of available funds,
3. a greater effort to achieve better utilization of facilities, and
4. the creation of more revenue, perhaps a premium for hospitalization. (Minutes, August 6, 7, 1968).

The President of the Alberta Hospital Association stated that cooperation from the association would be forthcoming but the present methods of cost control were putting hospitals into a difficult position and forcing many toward bankruptcy. The President reiterated that:





the hospitalization plan had been entered into as a partnership between the government and hospitals and if there was to be curtailment of services to affect economies, the Association wanted to have direction from the government as to areas in which member hospitals would be expected to cut back. (Minutes, August 6, 7, 1968).

The committee on hospital financing, established in 1968 under the chairmanship of the Provincial Treasurer, studied alternative forms of funding and involved the Alberta Hospital Association in making recommendations. One of the recommendations made by the committee was that hospitals prepare budgets to be submitted to the Department of Public Health for review.

In May 1969, J. D. Henderson succeeded J. D. Ross as the Minister of Public Health. The approach taken by the new Minister was a hard line to restrain the rate of increase in expenditure on hospitals. Alberta Hospital Association representatives met with the Minister of Public Health to point out that hospitals were being strained but the Minister of Public Health replied:

Expenditures of almost unlimited funds for health services could be justified on humanitarian grounds but that the facts must be faced in a practical and unemotional manner; it becomes necessary to establish priorities and to authorize expenditures within the limitations imposed by the funds which are available. Increases must be held at levels which can be maintained by increasing revenues.

The difficult task is not one which can be accomplished by government alone. The general public, and in particular, hospital boards, must have a high degree of understanding of the overall financial situation and must have an interest in achieving success which is equal to the interest of government (Board of Directors, February 12, 1970).





In 1971, the Department of Health was reorganized and the Hospital Services Commission was formed. The purpose of the reorganization was to provide a buffer between government and hospitals and to transfer some of the administrative functioning of the Department of Health from the Minister to administrators.

Goals and Effectiveness  
of the Alberta Hospital Association  
1959 - 1971

Goals

The goals of the Alberta Hospital Association for the period 1959 - 1971 were not dissimilar from those espoused in the previous period, 1943 - 1958. The purposes and objectives of the association as defined in the Alberta Hospital Association Act are:

- (a) to study, consider, discuss, accumulate and distribute information, and advice to the members of the cooperation regarding, -
  - (i) the construction, equipment and administration of hospitals;
  - (ii) the establishment, maintenance, and improvement of standards of hospital work;
  - (iii) the co-relation of the work and aims of Alberta Hospitals with those of the Department of Health and Social Development and the Department of National Health and Welfare;
  - (iv) legislation, by-laws, regulations and similar measures affecting the interests of hospitals and hospital work;
  - (v) the education and training of nurses and other hospital personnel; rules, regulations or laws relating to the same;
  - (vi) the representation of those Alberta hospitals affiliated with the corporation in negotiation with Municipal, Provincial and Federal bodies;



- (vii) such other matters as may be related to the hospital as a factor of public health;. . .
- (g) to do all such things as are incidental or conducive to the attainment of the above objects and to represent any or all member hospitals in collective bargaining with hospital employees, organizations representing hospital employees and trade unions (Alberta Hospital Association Act).

The above excerpt from the act accurately describes the activities that the Alberta Hospital Association pursued during the period 1959 - 1971.

### Effectiveness

The first goal delineated was to provide services for the construction, equipment, and administration of hospitals. In supplying assistance to hospitals with regards to construction, the association did not fare well. In 1961, the association approved the formation of a planning, construction, and maintenance committee which was to study and make recommendations regarding the planning and construction of hospitals. The committee set out to develop guidelines to define an owner's responsibility in construction, draft a simple hospital-architect form, and develop a checklist for the planning of departments of a hospital. In November 1962, the committee realized that it did not have the capacity to develop such guidelines therefore the committee was disbanded.

The association was more successful in providing assistance and advice on the equipment and administration of hospitals. In 1961, the association and Hospitals Division of the Department of Public Health formed an advisory





committee on hospital equipment to provide information to the membership regarding equipment. In the area of administration, the association developed numerous educational programs and institutes on hospital administration. Later, institutes on long-term care were organized for administrators of auxiliary hospitals and nursing homes. The association also strongly supported enrollment in the correspondence course on hospital organization and management which helped many in the field of hospital administration.

The second goal of the association was to provide service with regards to the establishment, maintenance and improvement of hospital work. The association actively supported the Canadian Council on Hospital Accreditation and promoted the accreditation of hospitals in the province. Accreditation standards were discussed in the monthly newsletter, *HospitAlta*, and often individuals from the council were invited to speak about accreditation at the annual convention.

The third goal of the association was to provide services in co-relation with the Department of Public Health. The association and Hospitals Division of the Department of Public Health had a formal understanding that the association would provide consulting services to its membership. Since it was the association that would carry out this function, it was assumed that the Hospitals Division would not become involved in providing consulting services. On the other hand, the Hospitals Division of the Department of Public



Health was empowered to provide "consulting services involving the operation of the hospital to the extent and at such times as it considered necessary" (Annual Report, 1965, p. 3). The duplication of the functions between the government and the association created a potential for conflict over consulting services.

The fourth goal of the association was to provide a service informing hospitals of legislation, by-laws, regulations, and similar measures. During the period 1959 - 1971, the association ensured that hospitals were aware of changes in hospital legislation. In the early 1960's, the association developed and, in cooperation with the Department of Public Health, distributed to all Alberta hospitals a set of model General Staff By-laws and Medical Staff By-laws.

A fifth goal of the association was to provide a service regarding the education and training of nurses and other hospital personnel. Much of the association's work in this area was done conjointly with the Alberta Association of Registered Nurses by establishing the curriculum of nursing schools, promoting the operation of nursing schools, and attempting to develop accreditation standards for schools of nursing.

The sixth goal of the association was to provide a service in representing its membership in negotiations with various levels of government. The association did this effectively through the presentation of briefs to the Department of Public Health and the Executive Council of the



government. Although not always successful in achieving the desired result, the association did articulate the concerns and interests of its membership.

The seventh and last goal of the association was to represent any or all member hospitals in collective bargaining with hospital employees, organizations representing hospital employees, and trade unions. The association became actively involved in the provision of voluntary collective bargaining in the late 1940's and by 1971 was bargaining formally on behalf of nearly all of the hospitals in the province.

Internal Operations  
of the Alberta Hospital Association  
1959 - 1971

The internal operations of the Alberta Hospital Association changed significantly during the period 1959 - 1971 from what they had been in the period 1919 - 1958. A full-time office was opened, a complement of employees was hired, and many important functions were performed.

Complexity

The Alberta Hospital Association became structurally more complex between 1959 and 1971 than it had been previously. The Alberta Hospital Association, during the period 1959 - 1971, displayed many levels of authority, a greater number of occupational roles, and more division of





labour. This greater complexity is evidenced in the organization charts of the association and the type of work done by the employees. The complexity of the Alberta Hospital Association and its development between 1959 and 1971 is demonstrated in the next section on organizational structures and occupational roles.

Organizational structure and occupational roles. In July 1959, the Alberta Hospital Association opened an office and employed an Executive Director to organize a complement of staff to provide services to the membership. Prior to establishing a full-time office in 1958, the association was comprised of: (a) a Board of Directors and a part-time Secretary-Treasurer, (b) the membership, (c) regional conferences and (d) a committee structure. The Board of Directors was made up of eleven members including the President, Vice-President, and Immediate Past-President who were referred to as the officers of the association. The President and Vice-President were elected annually and the other elected directors held office for two years, with half of them retiring annually. In order to qualify as members of the Board of Directors, the persons were required to be members or employees of a hospital board. The Secretary-Treasurer attended all board meetings, recorded minutes, handled the association's correspondence, and looked after the financial matters of the organization. The Secretary-Treasurer was the only member of the association who was paid an honourarium



for his services; all other positions were voluntary (Minutes, October 20, 1958).

Membership in the association was divided into two groups: active members and associate members. Active members were all hospitals approved under the Hospitals Act in the province and any other hospitals or institutions approved by the Board of Directors. Associate membership included the members of the board, medical or administrative staff of hospitals, which were active members of the association or any organization, or persons who were interested in the operation or activities of hospitals, such as municipal hospital districts not operating a hospital (Minutes, October 20, 1958).

Regional conferences were organized for the purpose of allowing hospital personnel to have the opportunity to discuss any matters of medical interest. The Board of Directors was responsible for dividing the province into regions and any active members of the association in the region could become a member of that regional conference. The officers of regional conferences, to be elected annually, were a President, Secretary-Treasurer, and Immediate Past-President. Hospital board members, administrators, matrons, and secretaries attending regional conferences were entitled to a vote at regional conference meetings (Minutes, October 20, 1958).

The committees of the Alberta Hospital Association were the active bodies which examined problems in the hospital





system and made recommendations regarding their solution to the Board of Directors. Committees in existence in 1958 were the Personnel Committee, Pension Committee and the Alberta Association of Registered Nurses liaison committee.

In July 1959, the Alberta Hospital Association employed M. W. Ross as an Executive Secretary to organize a full-time office for the association. The Executive Secretary's function was to establish consultative and educational services for the association and to operate the association's office. The work of the Executive Secretary consisted of attending board meetings, preparing reports, attending meetings of the regional conferences, maintaining a liaison with the Provincial government, meeting with allied associations, and participating in committee work (Minutes, November 10, 1959).

In October 1959, the Alberta Hospital Association's by-laws were amended to delineate the responsibilities of the Executive Director and to increase the size of the Board of Directors. The Board of Directors was to have 13 members including as officers the President, First Vice-President, Second Vice-President and the Immediate Past-President. Amendments to the by-laws also formalized a new body to be called the Executive Committee whose responsibility was to meet between board meetings and exercise the powers of the Board of Directors. The Executive Committee was not meant to replace the Board of Directors but to complement it by meeting more frequently to deal with items of routine



business and to act on matters requiring prompt attention. The decisions of the Executive Committee could be revoked by the Board of Directors, but if they were not, they assumed the same power as decisions made by the Board of Directors.

By 1960, it was becoming evident that more personnel would be required to deal with all of the services the membership was expecting the association to provide. In June 1960, A. J. Maiani was employed as an accountant to provide accounting and management consultative services to the membership. The need for a nurse consultant resulted in the hiring of Jesse L. Stanford in August 1960. An assistant to the Executive Secretary, L. A. Quaglia, was employed in October 1960.

In 1960, the Alberta Hospital Association authorized under its auspices the formation of the Council of Metropolitan General Hospitals on which board members and administrative staff of member institutions were to be represented. The hospitals comprising the council were the Calgary General Hospital, Holy Cross Hospital, Edmonton General Hospital, Misericordia Hospital, Royal Alexandra Hospital, University of Alberta Hospital, Lethbridge Municipal Hospital, St. Michael's Hospital, and Medicine Hat General Hospital. Membership in the council was divided into two types; the active membership was all hospitals in the province with more than 180 beds and associate membership was hospitals with less than 180 beds but operating a school of nursing. The object of the council was to provide





a medium whereby representatives of the member hospitals could discuss problems relating to the operation and administration of their hospitals to provide increasingly effective services to the patient (Minutes, September 14, 1960). The council was created because the larger hospitals felt that the association's activities were directed toward small hospitals and the unique problems of larger hospitals were not adequately dealt with.

In the same month, September 1960, the Alberta Hospital Foundation was established. The purpose of the foundation was to serve as a repository for funds, the income from which would be utilized to maintain and further the objects, purposes, and programs of the Alberta Hospital Association (Minutes, September 14, 1960). The Alberta Blue Cross Plan became an integral part of the foundation and utilized the fund as an agent to invest those reserve funds in excess required for the protection of subscribers to the Blue Cross Plan. The foundation was to be administered by a committee made up of seven members: the President of the Alberta Hospital Association, three members nominated by the Board of Trustees of the Alberta Blue Cross Plan, and three nominated from the Board of Directors of the Alberta Hospital Association (Minutes, November 23, 1960).

In May 1961, the Executive Secretary and his assistant gathered information on the role and progress of the association and recommended to the Board of Directors that a new approach, especially in the association's provision of





consultative services, be developed. The present method of haphazard response to distress calls to assist hospitals was less than desirable. The recommendation was made that a consultant first do a survey of the general administration and organization of the hospital, and on that basis provide a more detailed study of the problem. Other recommendations involved developing job classifications and descriptions, a central accounting system, professional activity studies from medical records, formation of disaster plans for hospitals, conducting surveys on salaries and wages, and issuing the reports of these surveys to the membership. By June 1961, the association's staff increased to seven full-time employees and the organization chart reproduced in Figure I illustrates the components of the organization. In June 1963, H. J. Elliott was employed as Assistant Secretary to replace L. A. Quaglia who had resigned.

In September 1963, the by-laws of the Alberta Hospital Association were amended to broaden and specify more exactly membership status in the association. The distinction between active and associate membership continued but they were categorized into different types. Active membership was comprised of:

- Type I        - General Hospitals - hospitals with patients with a short stay
- Type II       - Auxiliary Hospitals - hospitals with patients with a long stay
- Type III      - Federal Hospitals operated by the Federal government



# Organization Chart

## Alberta Hospital Association

June 1961

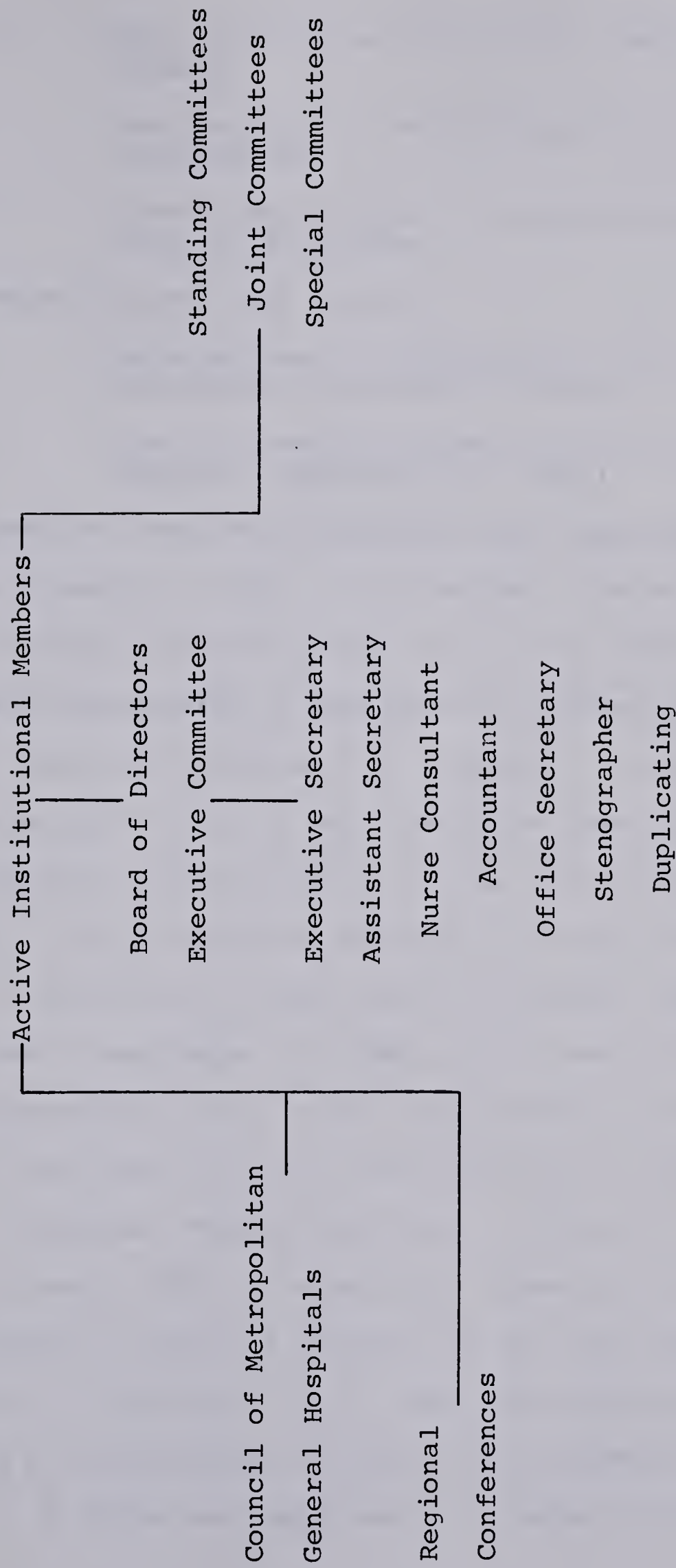


Figure I

Reproduced from Minutes, June 12, 13, 1961.





- Type IV      - Extra Provincial Hospitals - outside of Alberta
- Type V       - New Hospitals - being planned or under construction
- Type VI      - Other Institutions - as approved by the Board of Directors

Associate membership was made up of:

- Type I       - Associations or organizations of a voluntary or non-profit nature
- Type II      - Institutions providing health care services (Minutes, September 30, 1961)

The Executive Committee membership was expanded and included the President, First Vice-President, Second Vice-President, Immediate Past-President and, as an ex-officio member, someone designated by the Executive Committee of the Catholic Hospital Conference of Alberta. The Board of Directors consisted of all of the Executive Committee plus six other members elected annually at the convention.

In 1963, a consultant was employed to expand the association's activities in the field of general administration of small hospitals. In 1965, three new staff members joined the association--two to fill vacancies due to resignations, and the third to fill a new position in labour relations. A medical record librarian, M. Rooney, was employed in January 1965 to establish a preceptor-satellite education program in medical records for the province. In February 1965, a consultant, G. M. Lang, was employed to provide general consultation services to the membership. In July 1965, A. G. Wilks was employed as a labour relations



consultant to organize a labour relations program in which the association was becoming more involved. In 1965, the title of the Executive Secretary was changed to Executive Director to reflect more accurately the function of the position. The organization chart reproduced in Figure II illustrates the association's structure in February 1965 (Minutes, February 24, 1965). By 1966, the demands on the association for additional consulting, educational, and labour relations services increased dramatically. The number of educational programs sponsored by the association and the increased number of distress calls for consulting services necessitated that the staff of the association recommend to the Board of Directors a reorganization of the association's structure to more effectively meet the demands. The areas of educational and consultative services which had been one component of the association's organization before, were now divided into two separate services. There was also the necessity to assign the responsibility for internal services to an individual other than the senior officers so that they would have more time for their own functions and to spread the work load more effectively. It was also recommended that the field of labour relations be included in the general consultative services of the association. A position for an Administrative Assistant to the Executive Director was also approved. The resultant organizational structure is reproduced in Figure III (Minutes, May 3, 4, 1966).



# Organization Chart

Alberta Hospital Association

February 1965

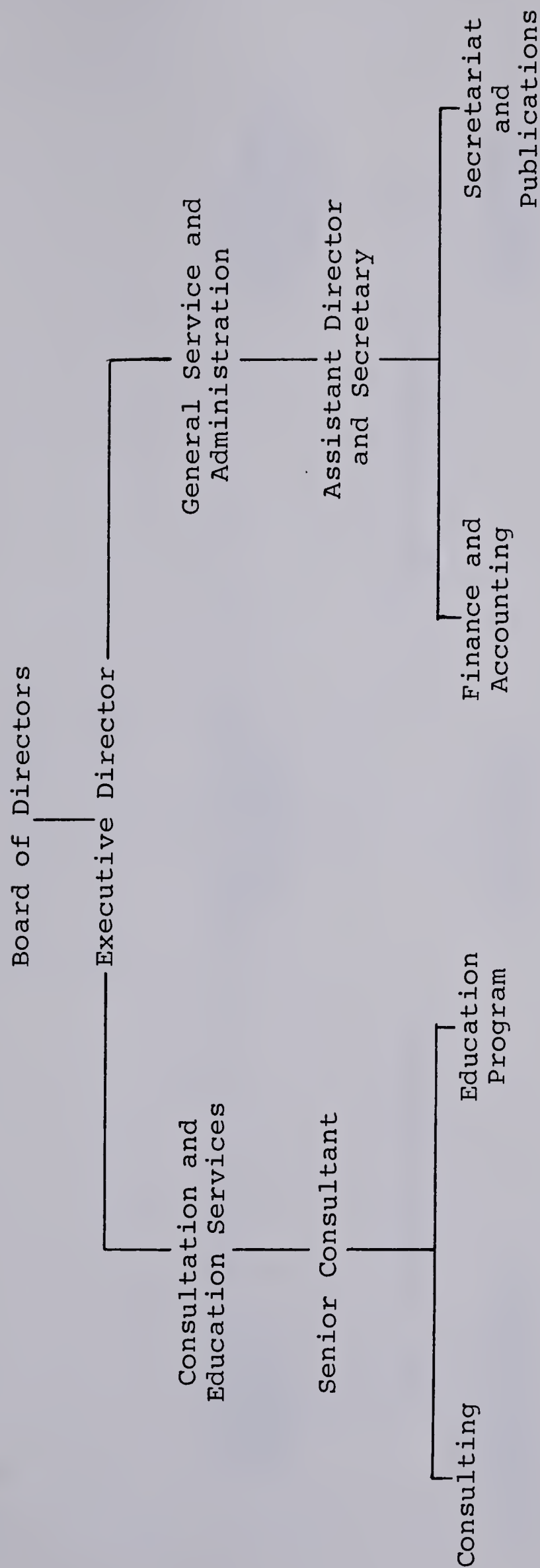


Figure II

Reproduced from Minutes, February 23, 1965





# Organization Chart

Alberta Hospital Association

May 1966

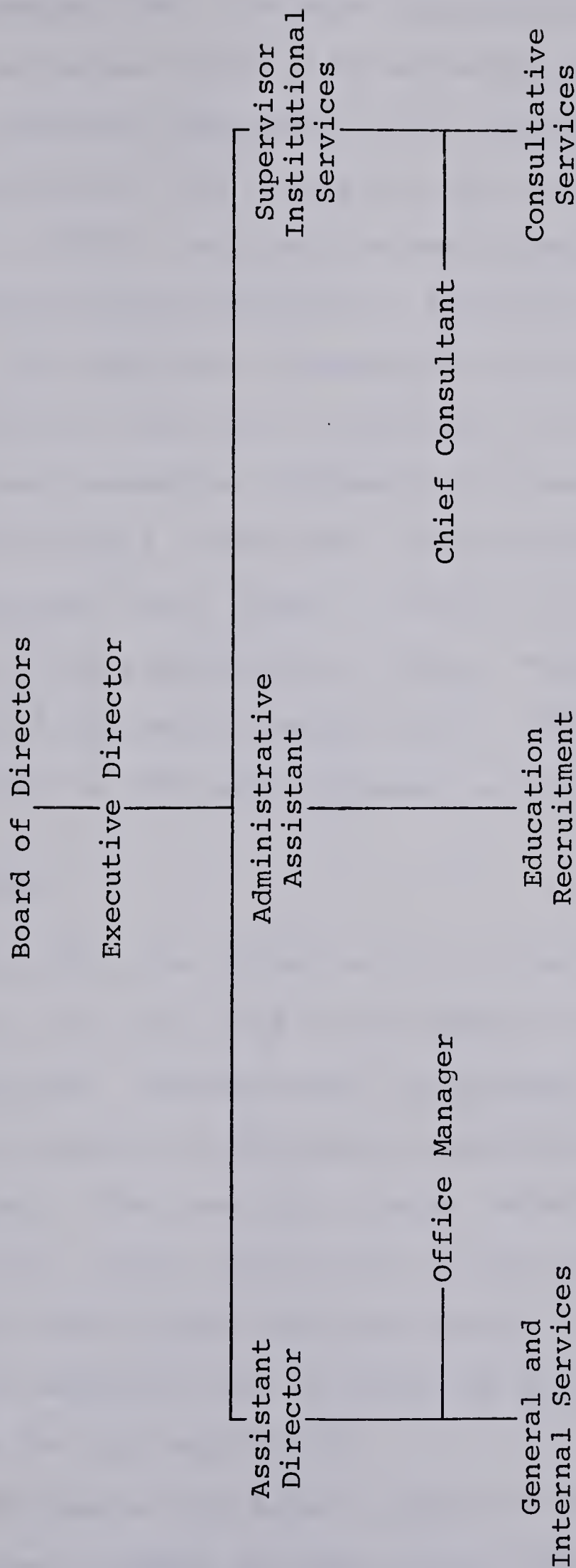


Figure III

Reproduced from Minutes, May 3, 4, 1966



In November 1967, the wide range of activities in which the association was involved prompted the Board of Directors to review the work undertaken by the association and to adopt a program for how it ought to be carried out (Minutes, November 15, 1967). A committee was organized and its recommendations were presented to the Board of Directors in May 1968. The committee recommended an organization structure and defined the areas of activity for the association. The rules and procedures adopted by the association are described in detail in the next section under formalization. The organization chart shown in Figure IV illustrates the structure of the association in 1968. The organization which evolved during the period 1959 - 1971 started with two staff members in 1959 and increased to 14 in 1971.

### Formalization

Before 1959, the formalization of the Alberta Hospital Association was restricted to the Alberta Association Act and the by-laws. Shortly after, additional rules and procedures were required to delineate responsibilities to new staff members. The need for greater formalization was met in three ways; first, the act and by-laws were updated, second, job descriptions were developed, and third, the association adopted a set of rules and procedures to serve as a guide for its activities.

The by-laws of the Alberta Hospital Association underwent revision a number of times during the period 1959 - 1971.





Organization Chart

Alberta Hospital Association

May 1968

Board of Directors

Executive Committee

Executive Director

Director of Consultative  
Services

-Chief Consultant

-Employee Relations Officer

-General Consultant

-Medical Records Consultant

-Recruitment Officer

Assistant Executive  
Director

Office Manager

Secretarial and  
Clerical Staff

Director of Educational  
Services

Figure IV

Adopted from Minutes, May 22, 1968



The first significant change occurred in October 1959 when the by-laws were amended to make them conform to the fact that the Executive Director was now responsible for the day-to-day operation of the association (Minutes, October 26, 1959). In September 1963, the by-laws were amended to expand and more accurately define the membership in the Alberta Hospital Association. The by-laws underwent revision again in September 1966 and made provision for: (a) the active membership of contract nursing homes, (b) the increased size of the Board of Directors from 11 to 13 members, (c) reorganizing the regional conferences, and (d) outlining procedures to be used for annual conventions.

Job descriptions were developed to define the responsibilities and activities of the staff members of the association. As more staff were employed, the Executive Director was able to delegate more of his responsibility. The delegation of responsibility permitted the Executive Director to spend more time in liaison with member institutions, government, and other organizations as well as planning and directing the activities in which the association was to be involved (Minutes, September 27, 28, 1962).

The job descriptions for many of the staff positions changed over time as new activities were undertaken by the association. These were either included in the activities of one of the members already employed or new positions were created. The Assistant Executive Director was responsible



for assisting the Executive Director in the administration of the association. The Director of Educational Services was responsible for organizing formal training programs and continuing education of the membership. The Director of Consultative Services was responsible for coordinating the association's employment relations program, general consulting services, and the medical records consulting service (Minutes, May 22, 1968).

Faced with increasing demands on its services, the Board of Directors decided in 1967 to evaluate the direction that the association was taking. A committee was established to review the work being done and to recommend a program for carrying it out. The result was the adoption by the Board of Directors of rules and procedures for the Alberta Hospital Association (Minutes, November 15, 1967).

A set of rules and procedures was established by the Board of Directors to "provide a guide for the orderly and efficient conduct of the work of the association" (Minutes, May 22, 1968). The rules and procedures were divided into eight sections. The first section dealt with the objectives of the rules and procedures. The second section was addressed to details regarding the Board of Directors. Section three delineated details about committee organization. Section four was a description of the general rules governing committees. Section five outlined the responsibilities of the Executive Director. Section six outlined the plan of the organization and the responsibilities for the





senior positions. Section seven was a description of personnel policies and section eight detailed the reimbursement for expenses of employees (Minutes, May 22, 1968).

### Centralization

Before 1959, the decision-making authority of the Alberta Hospital Association rested with the Board of Directors and, to some degree, with the Secretary-Treasurer who was responsible for the operational aspects of the association. In 1959, with the establishment of an office and the employment of an Executive Director, some of the Board of Director's decision-making authority was delegated to the Executive Director. In October 1959, the responsibilities which had been previously delegated to the Secretary-Treasurer of the association were transferred to the Executive Director.

As more staff were hired to perform functions which could no longer be accommodated by the senior officers, more of the responsibility and decision-making was delegated to the new staff members. The nature of the work performed required that some degree of autonomy be delegated to the new positions. For example, in 1965 with the association becoming involved in a medical records education program and a labour relations program, some of the decision-making was delegated to the individuals in charge of those programs.

The Board of Directors delegated much of the responsibility for the day-to-day operation of the association to



the Executive Director who in turn delegated some of it to his staff members. The role of the Board of Directors was transformed in 1959 to a policy-making capacity. The creation of the Executive Committee in 1959 delegated further some of the functions of the Board of Directors to the officers of the board. Although the Executive Committee did not replace the board, it met frequently and acted on behalf of the board.

In 1966, some of the decision-making was decentralized when the Director of Educational Services moved to Calgary to continue the work of providing educational services. Although the establishment of an office did not mean an autonomous unit of operation in Calgary, it did mean that the staff member was physically removed from the Edmonton office. Frequent contact by telephone and frequent visits to the Edmonton office and Board of Directors meetings were sufficient to carry out the educational services of the association.

The decentralization of authority which occurred in the period 1959 - 1971 was necessary to meet the growing demand for specialized services. Although the Board of Directors was ultimately responsible for the governing of the association's activities, much of the responsibility was delegated to the Executive Director who in turn delegated it to the Assistant Executive Director, Director of Consultative Services, and Director of Educational Services.





## Communication

The role of the Alberta Hospital Association as an organization representing the interests of its membership makes the process of communication an extremely important one. The association's role could be likened to a clearing house of information. The Alberta Hospital Association's responsibility in keeping the membership informed of its activities, aggregating and accurately articulating the collective voice of the membership, maintaining an active liaison with the government (especially the Department of Public Health), interreacting with allied organizations and associations in the health care field, and keeping the public informed of hospital care required an extensive and sophisticated network of communication.

Association/membership communication. The method by which the association facilitated communication between itself and the membership since 1919 was through the annual convention. Annual conventions were held each year in the period 1959 - 1971. The communication at the annual conventions served four purposes: (a) to allow the association to review the activities of the past year and announce its future plans, (b) to allow the membership to express their interests and concerns in the form of resolutions, (c) to introduce new developments in the hospital field through exhibits and special presentations, and (d) to allow the Minister of Public Health, an Honourary President of the



association, to speak on behalf of the government with regards to policy.

The annual conventions served as a medium whereby other provincial health care related associations would meet concurrently. For example, the Associated Auxiliaries of Alberta, Alberta Association of Institutional Laundry Managers, Alberta Association of Nursing Orderlies, Alberta Registered Dietitians Association, Alberta Hospital Purchasing Association, Canadian Society of Hospital Pharmacists, and Hospital Organization and Management graduates in Alberta would meet during the same week as the annual convention.

In January 1962, the Alberta Hospital Association printed its first monthly newsletter, HospitAlta, to complement the communication which was already taking place at the annual convention, meetings, and regional conferences. The newsletter provided a general overview of matters concerning hospitals. Some examples of the diverse topics addressed in the newsletter are: explanation of legislation relating to hospitals, descriptions of new techniques in infection control, reports of the opening of new hospitals, and the announcement of dates and subject matter of institutes and meetings. The newsletter was distributed by mail monthly to all member institutions and those interested in the hospital field.

Communication was also facilitated by meetings of the regional conferences and the Council of General



Metropolitan Hospitals. Regional conference and Council meetings would often include staff representatives from the Alberta Hospital Association so that issues or concerns could be expressed. The presence of association staff also gave the association an opportunity to inform the regional conference and council of its activities and future plans. The by-laws establishing the regional conferences required that the Secretary of each regional conference notify the Directors of the association regarding the time and place of the meetings of the conference. The by-laws also stated that the Secretary of the regional conference would forward a copy of all resolutions and minutes of the meetings to the Executive Director who would present them to the Board of Directors. This facilitated communication between the association and the membership in the regional conferences. Communication by circular letter and by telephone to the membership was also utilized and questionnaires were often used to determine the specific issues and concerns confronting the membership.

Association/government communication. Communication with the Provincial government in the period 1959 - 1971 occurred in three ways: (a) liaison committee meetings, (b) letters and briefs to the Department of Public Health, and (c) an annual brief presented to the Executive Council of the government. Liaison meetings generally occurred with





the Director of the Hospitals Division of the Department of Public Health but on occasion the Minister of Public Health was also invited to attend. The association and Department of Public Health established a working relationship which was sometimes strained by differing views. The submission of a brief to the Minister of Public Health regarding issues confronting the membership of the association was a frequent form of communication. A brief was prepared by the association staff and then verbally presented to the Minister of Public Health and other interested officials of the Hospitals Division. In 1962, the issues confronting the association were of such a magnitude that the Board of Directors felt that in addition to being presented to the Minister of Public Health, the brief should also be presented to the Premier. After the meeting, the Premier invited the association to make an annual presentation of their concerns regarding the provincial hospitalization plan (Minutes, May 4, 1962).

The annual submission of a brief to the Executive Council took place from 1962 until 1972. The briefs generally outlined current problems facing the membership and recommended solutions to some of them. A brief presented in 1968 was especially important because it was addressed to the government's method of attempting to restrain rising hospital costs.

Association/other organization communication. The organization with which the Alberta Hospital Association had



a significant amount of interaction was the Alberta Association of Registered Nurses. The purpose of this liaison was generally to deal with issues such as standards of care, curriculum and accreditation of nursing schools, and personnel policies. The Alberta Hospital Association also maintained a liaison with the Alberta Medical Association and College of Physicians and Surgeons in dealing with medical staff by-laws, laboratory and x-ray charges, and standards of care. An active liaison was maintained with the technical and professional associations representing employees of hospitals for the purpose of reaching agreement on personnel policies.

The Alberta Hospital Association maintained a communicative link with other organizations outside the province. The Canadian Hospital Association, Canadian Council on Hospital Accreditation and the Western Canada Hospital Council were all organizations with which the association was linked.

In addition to facilitating communication among health care oriented associations and organizations, the association served as the focal point in the public eye of the provincial hospital and nursing home system. Communication to the public generally took place through the news media.

### Technology

The technology of the Alberta Hospital Association during the period 1959 - 1971 can be divided into three





categories: (a) educational services, (b) labour relations services, and (c) general services.

Educational services. In 1958, when the Alberta hospitalization benefits plan was implemented, the Alberta Hospital Association and the Department of Public Health agreed that the association would undertake to provide educational and consultative services to hospital personnel in the province. A resolution was passed at the 1958 annual convention of the Alberta Hospital Association requesting that the association provide short courses of special training for nurses who were matrons of hospitals. When the office of the association was established in 1959, many of the hospitals requested that a nurse consultant be hired to deal with problems in the hospitals. After the nurse consultant was in the position for a few months, it became evident that many of the problems defined by hospitals were not of a nursing nature but were rooted in the administration of the hospital. Many of the hospitals were operated by hospital districts, governed by a board, with accounts being maintained by the Secretary-Treasurer. The matron was responsible for all duties except those of accounting and taking the minutes of the Board. This administrative configuration worked well in some hospitals but in most it was not effective.

In 1961, the Alberta Hospitals Act was revised and a new organization structure for hospitals was legislated. A Board of Trustees was to govern the hospital and an administrator was to be responsible for the administration of the



hospital. The nurse consultant continued to assist individual hospitals with their problems and soon it became evident that many hospitals were facing the same types of problems. Specifically, these problems related to the fact that the Board of Trustees were not aware of their role and the role of the administrator was not clearly understood. Educating board members and administrators on an individual basis was seen as an impossible task with the manpower available so it was recommended to the Board of Directors of the association that the task of education be carried out through education programs. These programs would be attended by all hospital personnel for whom the program was intended (Interview, Mr. M. Ross, March 28, 1980).

The first program held by the Alberta Hospital Association was an institute for matrons of small hospitals. In 1961, an institute was held on hospital accounting and business office procedures for hospital accountants. The association recognized a dire need for the education of hospital trustees and organized the first institute for them in 1963 (HospitAlta, February, 1963). The institute for hospital trustees was divided into two concurrent sessions: one was an introduction to hospital trusteeship for the new trustees, and a second was for trustees who had attended the introductory session during a previous year. The second session was generally addressed to problems and issues facing the hospital trustee. This institute was held annually after 1963.





Rewarded by the positive results of the previous programs, the three staff members of the association organized two additional programs in 1963. One was an institute on hospital accounting and business office procedures and the second, a symposium on hospital techniques and procedures. The first institute was sponsored jointly by the association and the Department of Public Health and the second was co-sponsored by the association and the Alberta Association of Registered Nurses.

In 1964, the Board of Directors and executives of the Alberta Hospital Association met with the Minister of Public Health and officers of the Hospitals Division to present a brief dealing with the inadequate technical and vocational training programs for hospital personnel. The primary recommendation in the association's brief was for the government to adopt a policy centralizing the vocational and technical training of hospital personnel at the Northern Alberta Institute of Technology and the Southern Alberta Institute of Technology (HospitAlta, January, 1969). As a result of the association's activities, the Southern Alberta Institute of Technology announced in 1966 that two programs would be held as summer courses in cooperation with the Alberta Hospital Association. The annual summer programs were to be on housekeeping and dietary service (HospitAlta, December 1966). In 1968, a summer course on laundry service was added and plans were underway for organizing a course on institutional maintenance and engineering.





The Alberta Hospital Association discovered that many of its programs were not appropriate for the auxiliary hospitals. In 1962, an institute on auxiliary hospital care was held to meet this deficiency in the educational programs. In 1964, contract nursing homes were included as part of the provincial health care system and their needs had to be met by the association. In 1965, the first institute on long-term care was held for the staff of auxiliary hospitals and nursing homes. The program became very successful and the seventh annual institute was held in 1971.

Hospital administration increased in sophistication during the period 1959 - 1971. Although workshops were held for hospital administrators on budgeting, hospital organization, and public relations, many of the educational needs of administrators were still not being met. In 1964, the Alberta Hospital Association, in cooperation with the Department of Public Health, sponsored an institute on hospital administration. The association did not sponsor the program again until 1968 when it was held in conjunction with the American College of Hospital Administrators. The institute was continued on an annual basis with the American College of Hospital Administrators and the fifth annual institute was held in 1971.

In addition to the internal courses offered by the Alberta Hospital Association, support was extended to extension courses such as those offered in hospital organization and management. The correspondence program in the



administration of small hospitals at the University of Saskatoon was also actively supported by the association. An extension course for department heads was developed by the Canadian Hospital Association in 1965 and later an extension course in nursing unit administration was developed. The association encouraged hospital personnel to enroll in these courses. The association gave active support to technical courses developed at the Northern Alberta Institute of Technology and Southern Alberta Institute of Technology for Laboratory Technicians, X-Ray Technicians, Inhalation Technicians, Medical Records Technicians, and Dietary Service Technicians. In 1968, the introduction of a masters program in Health Services Administration at the University of Alberta received the support of the association.

In 1969, the Alberta Hospital Association, in cooperation with the Department of Health, the Alberta Medical Association, and the College of Physicians and Surgeons sponsored the first institute on relationships and communications. The purpose of this institute was to promote a better understanding of the respective roles of the medical staff, the administration, and the hospital trustees. The institute was held for any hospital interested in sending their chief medical officer, administrator, and board chairman. The institute was extremely successful and the third annual institute was held in 1971.





In addition to the major educational programs described above, the association held numerous other sessions for other hospital personnel. Many of these sessions were organized on a regional basis and held over one or two-day periods to deal with labour relations, medical records, budgets, accounting, inservice education, safety, infection control, quality assurance, and many more topics too numerous to name. The role of the association in providing educational services was an important one in upgrading the education and skills of hospital personnel.

Labour relations services. The Alberta Hospital Association was involved in labour relations shortly after World War II. The formal involvement of the association was initiated by a resolution passed at the association's annual convention in 1959. Hospital boards were finding that they were frequently asked to recognize salary scales established by organizations representing a particular group of hospital employees. The resolution requested that the association:

be prepared to undertake a study of any such salary scale for the purpose of making recommendations. . . as to whether. . . the scale is either reasonable or unreasonable and that in the event that it is deemed unreasonable that they further undertake to recommend what would be regarded as a reasonable scale of wages for the particular professional groups (Minutes, November 17, 1958).

On January 7, 1959, the Board of Directors moved that a committee be established to confer with the members of the Department of Public Health on employees' salaries and



personnel policies and attempt to arrive at an overall policy which could be distributed as a guideline to all hospitals (Minutes, January 7, 1959). The salary scales for nurses, nurses' aides, laboratory technicians, x-ray technicians, physiotheraphists, and dieticians were established according to those in the neighbouring provinces and then mailed to hospitals throughout Alberta. For the first few years of the 1960's, agreements were negotiated relatively easily, but by 1964 the Alberta Association of Registered Nurses was beginning to show some unrest concerning salaries (Minutes, January 8, 1964). Some of this unrest was manifested in the formation of staff associations at hospitals in 1963.

In 1964, the Employment Relations Committee of the Alberta Association of Registered Nurses and the association's committee on personnel policies reached a reluctant agreement after extremely difficult negotiations. In November 1964, the Alberta Hospital Association hosted a conference on labour relations in Edmonton. The conference initiated a high response with 188 trustees and administrators attending from all over the province. Alberta labour legislation was discussed and representatives from the British Columbia Hospital Association who had previously been involved in labour negotiations spoke about their experiences. At the end of the conference, all agreed that the Alberta Hospital Association should represent member hospitals in future negotiations (HospitAlta, December 1964).





In order to gain status as the employer's representative, the Alberta Hospital Association Act was amended to allow the association:

to represent any or all member hospitals in collective bargaining with hospital employees, organizations representing hospital employees and trade unions (Alberta Hospital Association Act).

In 1965, the Staff Nurses Association of the Calgary General Hospital was certified as a bargaining agent by the Board of Industrial Relations. Negotiations of the Staff Nurses Association at the Calgary General Hospital with the board of the hospital were at a stalemate. The association agreed that the problems facing the Calgary General Hospital Board were the concern of every hospital in the province and offered the board assistance in negotiating an agreement.

In 1965, the association's relationship with employee representatives, which had existed over the past twelve years in the matter of salaries and personnel policies, had come to an end. The salary recommendations which the association had been making in the past were discontinued because of the implications they would have on the bargaining which was taking place with hospital boards and Staff Nurse Associations (Minutes, April 29, 1965). With the increased profile of labour relations in the hospital field, the association began to organize a labour relations program and employed a labour relations officer in 1965. The labour relations officer was to develop a program for continuing research in labour relations, make general recommendations regarding personnel policies, establish educational programs,





and act as an advisor during negotiations with employee groups.

In 1968, the Alberta Hospital Association continued negotiating with the technical and professional groups representing hospital employees which had not yet been certified as bargaining units by the Board of Industrial Relations. These included the:

1. Alberta Certified Nurses Association,
2. Canadian Society of Laboratory Technicians, Alberta Division,
3. Alberta Society of Occupational Therapists Association,
4. Chartered Physiotherapists of Alberta,
5. Alberta Association of Medical Records Librarians,
6. Inhalation Therapists,
7. Combined Laboratory and X-Ray Technologists,
8. Dietary Service Technicians,
9. Alberta Registered Dietician's Association, and
10. Canadian Society of Hospital Pharmacists, Alberta Branch.

The Alberta Hospital Association had not achieved compulsory province-wide bargaining for all hospitals by 1971.

General services. The association, between 1959 and 1971, provided its member institutions with a wide variety of additional services. These services included a general



insurance program, the refinement of medical records in hospitals, and consulting services.

In 1961, the Alberta Hospital Association was requested by the membership to study the nature, coverage, and types of general insurance carried by hospitals with the purpose of determining if the insurance could be standardized for all hospitals. A committee on insurance was formed and a consulting firm was hired to develop a general insurance plan for Alberta hospitals. The general insurance plan was presented to the members at the Alberta Hospital Association annual convention in 1962. This plan would result in more adequate coverage and reflect a savings in premiums. By November 1963, 51 hospitals representing 49.5% of the beds were enrolled in the insurance plan. The insurance plan had five classes of coverage: (a) fire, (b) liability, (c) malpractice, (d) boiler, and (e) fidelity (HospitAlta, November, 1963). By 1971, the coverages were extended and the majority of Alberta hospitals were enrolled in this program.

In the early 1960's, many Alberta hospitals had been seeking ways to provide more complete medical statistics to physicians in the hospitals for the purpose of evaluating and improving standards of care. At the 1963 annual convention of the Alberta Hospital Association, a resolution was passed for a method to be adopted for hospitals to maintain adequate medical records. In 1964, the Department of Public Health authorized accredited hospitals of Alberta to enroll in the Professional Activities Studies (PAS) based in Ann





Arbor, Michigan. The accredited hospitals in the province in 1964, representing over half of the beds, already had relatively sophisticated medical records departments which would easily lend themselves to the application of PAS. Before the other half of Alberta hospitals could make use of PAS, they needed to develop accurate medical records.

By the end of 1965, PAS was extended to all Alberta hospitals and a program had to be developed to introduce it to them. The Alberta Hospital Association added a medical records librarian to its consulting staff to develop a program to help hospitals improve their standards of medical records. The method adopted by the association to educate medical records personnel was to divide the hospitals in the province into preceptor and satellite areas. The preceptors were hospitals with well-developed medical records and the satellites were hospitals which would work towards improving their medical records. If any problems were encountered by the satellites, they would refer to their preceptor for clarification. By 1966, the majority of Alberta hospitals were enrolled in PAS and had developed good medical records departments. In 1970, the association began to examine medical records computer systems and their application to hospitals.

In addition to the nurse consultant, the association offered an extensive consulting service to its membership during the period 1959 - 1971. In 1960, the association employed a consultant to provide member hospitals with



expertise in finance and accounting. As the consultants gained more experience, they moved into the areas of dietetics, pharmacy, laboratory, x-ray, personnel, purchasing, laundry, and the construction of hospitals. The consulting services of the association were also utilized to resolve disputes among medical staff, nurses, administrators, and trustees.

The work of the Alberta Hospital Association during the period 1959 - 1971 served three major purposes. First, by providing educational programs to hospital personnel, the association increased the knowledge and skills of its membership's employees. The second purpose was to facilitate, through the labour relations services, a rational manner in which the demands of organized employee groups could be met and standardized throughout the province. The third purpose of the association's technology was to provide general consultative services resulting in a provincial hospital system which would continually strive to achieve higher standards of hospital care.

#### Relationships Among the Variables

The purpose of this section is to attempt to analyze the relationships among the organizational variables described in the preceding sections. The relationships between the environment and goals, environment and internal operations, goals and internal operations, and lastly among the environment, goals, and internal operations of the Alberta Hospital Association are discussed in the subsequent sections.





## Environment and Goals

The environment of the Alberta Hospital Association affected the goals of the association. The technological conditions affecting the association during the period 1959 - 1971 can be categorized into three groups: (a) those originating from the Department of Public Health as a result of its administration of the hospitalization benefits plan, (b) the program of the Canadian Council on Hospital Accreditation, and (c) the increased activity of employee organizations in labour negotiations.

As a result of the Department of Public Health's responsibility for administering the hospitalization benefits plan, a working relationship between the Department of Public Health and the association's membership was necessary. In order that cooperation between the Department and the association's membership be actively pursued, the association established a goal to promote a relationship which would co-relate the work and aims of Alberta hospitals with those of the Department of Public Health. Although in many instances there were sharp differences in opinion, a working relationship among the Department, association, and association's membership was necessary if the hospitalization benefit plan was to be successful.

The accreditation program of the Canadian Council on Hospital Accreditation was a change in technology which affected both member institutions and the association. The association actively promoted the accreditation of health





care institutions and established as one of its goals, the establishment, maintenance, and improvement of standards of its membership's work.

The increased activity of hospital employees to organize for the purpose of labour negotiations was another technological change which affected the goals of the association. In 1965, the association had the Alberta Hospital Association Act amended to establish a goal which would allow the association to represent any or all member hospitals in collective bargaining with hospital employees, organizations representing hospital employees, and trade unions.

Legislation changes also affected the goals of the Alberta Hospital Association. The enactment of the Alberta Hospitalization Benefits Act, Auxiliary Hospitals Act, Alberta Hospitals Act, and the Nursing Homes Act increased the government's regulatory responsibility for health care institutions. In order that the association's membership be kept current on regulations affecting them, the association established a goal to provide information and advice to its membership on legislation, by-laws, regulations, and similar measures affecting the interests of hospitals or hospital work.

Political-economic factors affected the goals of the association. The political-economic condition of greatest significance to the association and its membership was government's policy of reimbursement of the association's



membership for their services. The amount that health care institutions were reimbursed was a contentious issue throughout the period 1959 - 1971. To lobby government on behalf of the membership for reasonable reimbursement, the association established the goal to act as a representative for its membership in negotiations with Municipal, Provincial and Federal governments.

### Environment and Internal Operations

Technological conditions of the environment seemed to influence the internal operations of the Association. The administration of the health care plan by the Department of Public Health, the promotion of accreditation standards by the Canadian Council on Hospital Accreditation, and the organizational activities of hospital employees for the purpose of labour negotiations increased the complexity of the environment with which the association had to deal. To deal with the more complex environment, the association established a full-time office and employed staff members to carry out its functions which, by increasing its hierarchical structure and occupational roles, increased the association's complexity.

The increased structural complexity of the association was manifested in other characteristics of the organization. As the hierarchy became more differentiated and the occupational roles increased in number, the formalization of the association also increased. The establishment of rules,





procedures, and job descriptions is evidence of increased formalization. The establishment of a full-time office and employment of an Executive Director increased the degree of centralization in the association. The decision-making regarding day-to-day operations of the association was delegated to the Executive Director centralizing to some degree the authority in the organization. As the organization became more differentiated, some of this authority was delegated to senior staff.

In order that the association cope with a more complex environment, the communication and technology of the association increased. Communication with the membership, government, and other allied health care organizations was essential to keep abreast of the issues which were arising. To provide services to its membership, the association increased the degree of technology. The association established educational, labour relations, consulting, and general services to cope with the increased expectations of the membership. The people employed to provide the services on behalf of the association were generally professionals in the disciplines of accounting, administration, nursing, medical records, and labour relations.

Legal conditions affected the Alberta Hospital Association. Legislation, enacted during the period 1959 - 1971 which affected the Alberta Hospital Association, included the Alberta Hospitalization Benefits Act, Auxiliary Hospitals Act, Alberta Hospitals Act, and the Nursing Homes Act. The



provincial hospitalization benefits plan transferred a large proportion of the costs for hospital services to the Provincial and Federal governments. Along with the transferral of financing, some of the control for hospital services in the province also went to the Provincial government. The association's role therefore strengthened as an organization which acted as a counterbalancing force to the centralization to the Provincial government of authority regarding hospital services.

The Auxiliary Hospitals Act provided for the hospitalization of chronic patients and the Nursing Homes Act provided contract services of nursing homes to Albertans. These two acts eventually broadened the membership of the association to include auxiliary hospitals and nursing homes.

The major political-economic condition influencing the association was the government's policy on the reimbursement of hospitals for their services. In order to counteract the restraints placed by government on funding, the association increased the frequency and sophistication of its communication with government to protect the interests of its membership.

What influence did the internal operations of the association have on the environment? The work of the association was toward four ends: (a) providing educational service to the membership so that their standards of work could be improved, (b) providing labour relations service to the membership so that they could more effectively deal



with the organized hospital employees, (c) acting on behalf of the membership in negotiations with government, and (d) providing general services of information and advice that would improve the awareness of the membership on contemporary issues. By providing these services, the association was able to influence its environment.

### Goals and Internal Operations

The goals established for the Alberta Hospital Association can be categorized into four groups established to offer the membership: (a) information and advice on operational matters, (b) educational services, (c) labour relations services, and (d) representation in negotiating with government. All four categories of goals were actively pursued during the period 1959 - 1971. In order to achieve its goals effectively, the association established an office and employed staff in 1959. The internal operations of the association became increasingly complex from the beginning of the period in 1959 to the end in 1971. The increasing complexity was evident in both the structural and functional characteristics of the association: the hierarchy became more differentiated; the number of professional occupational roles increased; formalization, centralization, and communication increased; and the technology became more non-routine. The evolution towards greater complexity was necessary for the association to achieve its goals effectively.





### Environment, Goals and Internal Operations

In this section, an attempt is made to analyze the relationship among the three variables--environment, goals, and internal operations. It has already been illustrated that the environment of the association became increasingly complex during the period 1959 - 1971. In order that the association achieve its goals which were established in the context of the environment and its internal operations, an effective organizational structure was necessary. The organizational structure evolved during the period 1959 - 1971 exhibiting characteristics of increased formalization, centralization, communication, and technology. The increased effectiveness of the association was demonstrated in its ability to control, to some degree, the environmental conditions affecting it.



## CHAPTER VI

### Summary and General Observations

The purpose of this chapter is to: (a) provide an overview of the development of the Alberta Hospital Association, (b) examine the relationships among the organizational variables, and (c) make some general observations on how organizations should be studied.

#### An Overview of the Growth and Development of the Alberta Hospital Association

In the three preceding chapters, the history of the Alberta Hospital Association was described and analyzed within a framework drawn from organization theory. The study was divided into three easily-defined periods of the association's history: 1919 - 1943, 1943 - 1958, and 1959 - 1971. The purpose of this section is to provide an overview of the Alberta Hospital Association's growth and development.

#### 1919 - 1943

The Alberta Hospital Association was organized in 1919 by a group of Trustees, Superintendents and other hospital workers who felt that benefits would accrue to hospitals if they were united. Prior to 1919, the hospitals in Alberta had no province-wide mechanism to deal with the increasingly numerous and complex problems and developments which were emerging in the hospital system. These were typified by





insufficient government grants and efforts to improve the standards of therapeutic and administrative performance in hospitals. For example, as a human service industry, hospitals were expected to provide care to all persons who were in need, not only to those who could afford it, but in many cases hospitals could not collect debts for services provided and therefore experienced financial difficulties. The Provincial government, recognizing the difficult position of hospitals, agreed to give a grant, based on a per diem rate, to all hospitals. In most cases, however, the grant was insufficient to maintain the hospital's solvency. Individual hospitals were often unable to convince the Provincial government of the need for increased rates and it was felt that if hospitals could unite and present their case before the government, their need might appear more convincing. In terms of the effort to improve standards, it was agreed that an association would encourage acceptance of this objective and facilitate its achievement.

When the Alberta Hospital Association was organized in 1919, it had a relatively simple organizational structure; it consisted of a President, Vice-President, and Secretary who were the officers of the association. A symbolic position of Honorary President was held by the Minister of the Department of Public Health. The officers served on a part-time basis and they, along with two other delegates elected at the annual convention, formed an Executive Committee for the governance of the association. This structure of the association remained until 1943. The business of the



association was carried out by the Secretary from his office at the hospital he was employed by. The activity of the association was directed by the resolutions passed by delegates at the annual conventions. If an issue arose that the Executive Committee or the Secretary could not deal with, a committee was established to examine the problem. Three such committees established during the period 1919 - 1943 were the Legislative Committee, Standardization Committee, and the Uniform Accounting Committee.

In 1919, at the first annual convention, the delegates of the association passed a constitution and set out a number of purposes which the association could work toward. The constitution outlined the membership fees, criteria for membership, and executive positions. The general purpose of the association was to improve the state of hospital work in the province. The particular purposes of the association were to nurture cooperation and communication among the province's hospitals and the Department of Public Health, to achieve high standards of hospital work in the province, to stimulate hospital development, to impress on government the need for chronic hospitals, to raise the issue of inadequate government grants, to arrange cooperation with the Workman's Compensation Board, and to standardize the training of nurses.

The Alberta Hospital Association was loosely organized during the period 1919 - 1943. The activities of the association were limited to the organization of annual



conventions and to the representation of the collective interests of hospitals to government. The annual conventions, held conjointly with the Alberta Association of Registered Nurses and the Alberta Municipal Hospital Association, provided a milieu where delegates could express their concerns on issues arising in the hospital field, equipment manufacturers and distributors could exhibit new developments in equipment, the Minister of Public Health could express the health policy intentions of the Provincial government, and new ideas and concepts in hospital organization and administration could be presented. The second major function of the association during this time was to represent the collective interests of hospitals to government. This involved making representation to government on such issues as the inadequacy of government grants.

The inadequate rates that the Provincial government paid to hospitals had a significant influence on the Alberta Hospital Association. One of the reasons for establishing a provincial hospital association was to try to impress upon government the necessity for higher per diem rates. This factor persistently faced the association throughout the period 1919 - 1943. Representatives of the association met with the Minister of Public Health on many occasions and pointed out the need for increased funding from the Provincial government. The Minister of Public Health, on most occasions, replied that the municipalities were responsible for the support of hospital care. On other





occasions, the association was successful in convincing the government that additional funding was necessary. As a result of this lobbying process, the Alberta Hospital Association became the collective voice for member hospitals in negotiating with the Provincial government.

In reviewing the development of the Alberta Hospital Association during the period 1919 - 1943, it is significant to note the limited development which took place. During the first twenty-five years of its existence, the association had not established an office or a complement of full-time staff. The lack of progress in the association's development was due to the lack of financial resources in hospitals to support an organization with a complex infrastructure. The association's activities were financed through the membership fees paid by hospitals and since the hospitals were continuously faced with financial difficulties, they were unable to contribute membership fees large enough to support an office and full-time employees. Although the association's development was constrained, the hospitals did have trustees and superintendents who were willing to devote their voluntary efforts to developing the activities of the association.

#### 1943 - 1958

In 1943, the Alberta Hospital Association underwent a significant change. The Alberta Municipal Hospital Association, which had been formed in 1920 and had been meeting



conjointly with the Alberta Hospital Association, finally agreed to amalgamate with the Alberta Hospital Association. As a result of the amalgamation, the Alberta Hospital Association was considerably more representative of the total hospital system. The municipal hospitals were reluctant to give up their identity entirely when they amalgamated and insisted on a separate section within the association; this lasted only a few years and soon the differentiation between municipal and non-municipal hospitals was dropped.

Upon amalgamation, the association underwent a number of changes; first, the association's name was changed to the Associated Hospitals of Alberta; second, a separate section for municipal hospitals was established; third, the executive of the association was to be comprised of equal representation from the municipal and non-municipal hospitals; fourth, a new constitution was adopted; and fifth, a new set of goals were established.

During the period 1943 - 1958, the association's organization and tasks became more complex relative to the previous period, 1919 - 1943. For example, the association became involved in planning, with the Department of Public Health, a province-wide maternity hospitalization program. The association also took on a greater responsibility for promoting uniform accounting and reporting standards for hospitals. As the association's scope of activity expanded, a more extensive committee structure was established, regional conferences were formed, and inter-organizational





relationships were developed. In addition, the association organized the provincial Blue Cross Plan, became incorporated, and helped the Department of Public Health plan the province-wide hospitalization benefits program.

Maternity hospitalization plan. The maternity hospitalization plan, initiated by the Provincial government in 1943, was the first commitment by the government to finance hospital care from Provincial general revenues. The Department of Public Health requested the association to assist it in drafting an Act which would govern the operation of the plan. The response of the association was enthusiastic and, through a committee process, the two parties were able to develop a plan satisfactory to both. In establishing the operational aspects of the plan, the association recommended a point system of reimbursement which the Department accepted (see page 103). The assistance of the association in developing the maternity hospitalization plan legitimized the role of the association as an organization which the Department of Public Health could seek assistance from. The Department was to request the association's assistance again in developing the hospitalization benefits plan during the years 1956 to 1958 and the Alberta Hospitals Act in 1961. These factors established the Alberta Hospital Association as an organization with expertise in the field of hospitals which promoted its development in this area.



Uniform accounting. The purpose of a uniform accounting system was to standardize the hospital financial accounting procedure so that it would be consistent among hospitals. A uniform reporting system on the other hand would facilitate the comparison of hospital activity data among the hospitals. The association's support for a uniform accounting and reporting system for all Alberta hospitals originated from five sources: (a) the general public was skeptical of the differing rates charged at different hospitals for the same services, (b) public institutions like the Workman's Compensation Board refused to accept the great variation in reimbursement requests from hospitals for compensation cases, (c) the Federal government attempted in 1931 to gather hospital cost and activity data, but was frustrated in its efforts by the non-uniformity of the data, (d) national organizations, such as the Bureau of Statistics and the Canadian Hospital Council, attempted to collect data in anticipation of planning for a national health insurance program, and (e) the Alberta government required comparable data for the regulation of hospitals.

The Alberta Hospital Association attempted to ameliorate the situation by organizing accounting workshops across Alberta and by developing a standardized reporting form which was utilized by hospitals to collect and report pertinent hospital activity data. Although these activities helped the problem to some extent, it was not until the



Canadian Hospital Accounting Manual (C.H.A.M.) was developed that real progress in standardizing accounting procedures took place. Once all hospitals had C.H.A.M., the association held workshops across the province instructing hospital accountants on its application. This was the first endeavor the association made into the provision of an educational service. The provision of this service opened the doors for the great need of educational services in the hospitals, but the association did not have the resources to fill this need until 1959.

Increasing complexity. During the period 1943 - 1958, the hospitals made more demands on the association than they had in the previous period: problems developed in the hospital system which required a concerted effort with central coordination before they could be resolved.

During the period 1943 - 1958, an extensive committee structure was developed to deal with specific issues in the hospital system. An Economics Committee was established to examine the rate structure of the Provincial government's financial contribution to hospitals and to make recommendations to the Board of Directors for the resolution of economic problems in the hospital system. As in the previous period, a Legislative Committee functioned to make recommendations on changes to existing legislation and to propose legislation which was needed. A Personnel Committee was established to review the salary levels of hospital employees.





Accreditation continued to be encouraged by the association during this period and, by 1955, the association was supporting a Canadian-based hospital accreditation agency. Another problem confronting the hospitals of Alberta during the period 1943 - 1958 was a shortage of nurses, and the association worked in collaboration with the Alberta Association of Registered Nurses and the Department of Public Health to try to resolve it. The organizational structure of the association was expanded in 1955 when nine regional conferences were established throughout Alberta. The purpose of the regional conferences was to provide the hospitals of a geographic area with an opportunity to discuss common problems and to make them known to the Board of Directors of the association.

Inter-organizational relationships also became more important during the period 1943 - 1958 because, as the developing hospital system became more complex, more organizations and groups of people became affected by problems and changes in the system. It was therefore necessary for the association to maintain a communicative link with allied health care organizations such as the Alberta Association of Registered Nurses, Alberta Medical Association, employee unions and associations, and the Department of Public Health. In some cases, the association went so far as to establish joint committees with organizations like the Alberta Association of Registered Nurses, the Alberta Medical Association, the Department of Public



Health, and the Workman's Compensation Board.

Blue Cross Plan. In 1929, the United Farmers of Alberta government had introduced the concept of a province-wide health insurance program for Albertans. At that time, the Alberta Hospital Association was very much in favour of the government implementing such a plan. By the mid-1940's, the National government was considering implementing a nation-wide health insurance program but because agreement could not be reached between the provinces and Federal government, the plan was not implemented. By 1948, the number of voluntary hospital insurance plans had grown significantly and hospitals were faced with the problem of filling out different forms for the collection of monies from a wide variety of insurance plans. To alleviate the difficult task of billing to different plans, the hospitals recommended that the association centralize all the plans into one province-wide hospital insurance plan. In establishing the Blue Cross Plan in 1948, the association was required to incorporate.

The Act to incorporate the association was passed and a new set of requirements were set before the association. The association was required to adopt: (a) a constitution and by-laws, (b) rules and regulations for the admission, expulsion, and government of its members, (c) different classes of membership for the collection of fees and dues, (d) rules for the election and appointment of a Board of Directors and other officers, and (e) a definition of the Board of Director's duties.





At the time of incorporation, the association's Board of Directors was increased to eleven members, including the President, Vice-President, and Immediate Past-President, who were referred to as the officers of the association. A Secretary-Treasurer was appointed by the Board of Directors and he attended all board meetings, recorded minutes, handled the association's correspondence, and looked after the financial matters of the association. Membership in the association was divided into two groups: (a) active members, and (b) associate members. Active members were all hospitals approved by the Board of Directors, and associate members were members of hospital boards or the medical and administrative staff of hospitals.

In summary, the association became somewhat more complex structurally, and was engaged in more complex tasks during the period 1943 - 1958 than it had been in the previous period. Nonetheless, it had not yet established a permanent office nor did it have a complement of staff. All of the association's work was done by a part-time Secretary who was paid an honorarium, and the voluntary efforts of the Board of Directors and committee members.

#### 1959 - 1971

The growth and development of the Alberta Hospital Association during the period 1959 - 1971 was dramatic in relation to the previous two periods. The most significant factors contributing to the association's development were: (a) increased demands by the membership for more services,



(b) the delegation of responsibility from the Department of Public Health to the association for education and consulting services, (c) the organization of hospital employees into trade unions and associations, (d) the acceptance of auxiliary hospitals and nursing homes to the association's membership, and (e) the funding of hospitals from provincial general revenues.

Membership requests for services. Hospitals became more complex institutions during the period 1959 - 1971 than they had been in the two previous periods. The increased complexity of hospitals was initiated by two developments; first, advances in the medical sciences made possible the application of complex diagnostic, surgical and medical technologies to hospital services, and second, the public expected a more sophisticated therapeutic approach to their ailments. The combination of these two factors encouraged those in hospitals to seek and attain high standards of hospital care and to introduce more complex diagnostic and treatment services. For example, operating rooms required complex equipment and instruments, laboratories became more intricate and specialized, and complex radiological facilities were introduced. A more complicated physical plant was required to accomodate the more complex equipment. In addition to the equipment and physical plant becoming more intricate, specialized personnel such as laboratory technicians, x-ray technicians, and respiratory



technicians were introduced to operate and maintain the equipment and facilities. The increased complexity of hospitals also meant that the administration of hospitals became more complicated. In order for hospitals to cope with these developments, the association was requested by the membership to provide specialized services. Examples of the requests for assistance were: developing accurate medical records, establishing guidelines for infection control, developing hospital equipment lists, initiating a general insurance program, and drawing up a model of by-laws for hospital and medical staff.

Education and consulting. In 1959, the Department of Public Health delegated to the association the responsibility for providing Alberta hospitals with education and consulting services. The Board of Directors of the association responded to this request by significantly changing the development of the association. The association employed the first full-time employee, Mr. M. Ross, as an Executive Secretary to organize an office for the association. An office was established in the Blue Cross Building and the Executive Secretary's first task was to establish an education and consulting service for the membership. This was done in 1960 by employing an accounting consultant, a nurse consultant, and an assistant to the Executive Secretary. After one year of consulting for hospitals, it became evident to the staff of the association that many of





the problems they were called out to examine were rooted to some administrative problem at the hospital. Many of the problems were of a similar nature and could be dealt with in educational sessions. Once this was realized, a number of annual institutes were organized.

The educational activities of the association were further expanded when the Professional Activities Study program was approved by the Department of Public Health as a program that all hospitals could participate in to improve their medical records. The association was delegated the responsibility of developing an educational program which would ensure the development of accurate medical records in Alberta hospitals. A medical records librarian was employed by the association to establish such a program. The method adopted to educate medical records personnel was to divide the hospitals in the province into preceptor and satellite areas. Those hospitals with well-developed medical records acted as preceptors to those which did not have well-developed medical records. The experience gained from the medical records program diversified the expertise of the association's staff and offered to its membership an additional service.

By 1965, the continued expansion of education and consulting services led to the employment of a Labour Relations Officer and a Medical Records Librarian. In the same year, the association's staff was divided into two parts: those responsible for educational and consultative



services, and those responsible for general services and administration. In 1968, the responsibility for educational and consultative services had become too great and they were divided into two separate services. The association's hierarchy in 1968 consisted of a Board of Directors and an Executive Committee to whom the Executive Director reported. Reporting to the Executive Director were the Assistant Executive Director, Director of Consultative Services, and Director of Educational Services. Reporting in turn to the Directors were the consultants, accountants, nurses, medical records librarians, and the labour relations officer. The number of occupational roles in the association increased from two staff members in 1959 to fourteen staff members in 1971.

Rules and procedures. In order to deal with the more complex organizational structure and to define the occupational roles of staff members more specifically, the Board of Directors, in 1968, established a set of rules and procedures to serve as a guide for the association's activities. The rules and procedures were divided into eight sections and delineated: (a) the objectives of the rules and procedures, (b) the responsibilities of the Board of Directors, (c) committee organization, (d) general rules governing committees, (e) the Executive Director's responsibilities, (f) organizational structure and senior positions, (g) personnel policies of the employees, and (h) rules for reimbursement of employee expenses. These rules and





procedures formalized, to a great extent, the activities of the association.

Communication. Since the Alberta Hospital Association was predominantly an idea and people-oriented organization, communication with allied hospital organizations became important. The membership, government, and allied health care organizations needed to be informed of the association's activities just as the association needed to be informed of their activities. While annual conventions, regional conferences, and committee meetings continued to play an important role in this respect, by 1960 it became clear that a closer organizational link with the province's large hospitals was necessary, thus the Council of Metropolitan General Hospitals was formed. In 1962, the association published the first issue of its monthly newsletter. The newsletter was mailed to the membership and reported on activities of the association as well as developments in the hospital system generally. Communication with the government was facilitated in two ways. First, the association established a liaison with the Department of Public Health, specifically the Hospitals Division, which kept each informed of the other's activities and plans. Second, communications with the government was facilitated by the presentation of an annual brief to the Cabinet during the years 1962 - 1971. The purpose of the briefs was to outline the major problems facing hospitals and to make recommendations for their resolution.



Hospital employee unions and associations. The organization of hospital employees into unions and associations had a great impact on the hospitals and the Alberta Hospital Association. The organization of hospital employees began shortly after World War II and, by the late 1950's, hospital boards were being continuously confronted with salary requests by employee organizations. Because the hospital boards had no frame of reference to determine if the requests were reasonable, the hospital boards requested that the association take on the task of determining what salary levels were reasonable. In response to the membership's request, a Personnel Committee was established in 1959 to study salary rates in neighbouring provinces and to make recommendations on them to the hospital boards. This arrangement of voluntary bargaining persisted until 1964 at which time the nurses became more demanding in their requests. In 1964, the bargaining process was transformed from cooperative to adversary. The unions and associations which were organized on a provincial scale would often use whipsaw tactics to negotiate a high settlement with the hospital boards. In 1965, the hospital boards recognized that they would have to bargain collectively with the employee organizations and the association was requested to bargain on their behalf. The association responded by establishing a labour relations program and employing a full-time labour relations officer. By 1971, although it was not compulsory for hospital boards to bargain through





the Alberta Hospital Association, most of the hospitals did.

Auxiliary hospitals and nursing homes. The admission of the auxiliary hospitals and nursing homes as members of the Alberta Hospital Association had a significant effect on the association's development. Before auxiliary hospitals and nursing homes were members of the association, the efforts of the association were directed entirely toward hospitals. On admission to the association, the auxiliary hospitals and nursing homes found that many of their specific needs were not being met by the association. It was therefore necessary for the association to expand its scope of service to provide educational programs, consulting services, and an effective lobby to serve the interests of new members. For example, institutes on long-term care were organized and accounting workshops were held for nursing home operators. These services were provided and they broadened considerably the development of the Alberta Hospital Association.

Provincial government financing of hospitals. In 1958, the Provincial government assumed the responsibility for financing hospitals in the province and this had a significant impact on hospitals as well as the Alberta Hospital Association. With the provision of funds from provincial general revenues, hospitals were more solvent. Since the fear of hospitals not being able to recover their costs all but disappeared, the hospitals were willing to





contribute more funds to support the activity of the Alberta Hospital Association. The Alberta Hospital Association had requests for many additional services by the membership and the only way these could be provided was by increasing membership fees. Membership fees were increased and the association was then able to provide many of the services requested by the membership. The increased financial resources made available to the association by the hospitals (indirectly from the Provincial government) did a great deal to develop the services of the association.

The centralization of authority for financing hospitals from the Provincial government had the effect of placing on the association the responsibility of convincing government that increased funding of hospitals was necessary to provide the services the citizens of Alberta expected. By funding hospitals from provincial general revenues, the hospitals gained financial security but lost some of their autonomy. The resulting loss of autonomy was due to the decisions in the Department of Public Health as to how much financing each hospital would receive and how it should be spent. Some hospitals expressed a grave concern over this fact but most accepted it as the price for financial security. It was not until 1966, when hospital costs began to escalate at an unprecedented rate and the Department of Public Health attempted to restrain the rising costs, that the full implications of centralized authority in the Department was realized. The Department was attempting to



limit its increase to hospitals with the result that some hospitals accumulated large deficits. By 1968, the situation became serious as many hospitals bore large deficits. The association recognized that it was necessary to maintain hospital costs at a reasonable level and agreed to cooperate with the Department to determine if a reasonable method of restraining costs could be implemented.

In summary, it appears as though the association developed dramatically in the period 1959 - 1971 relative to the two previous periods of its history. The reasons for the increased development appear to be: (a) the membership of the association requesting services, (b) the delegation of education and consulting services to the association, (c) the organization of hospital employees into trade unions and associations for the purpose of negotiating favourable labour contracts, (d) the acceptance of auxiliary hospitals and nursing homes as members of the association, and (e) the funding of hospitals from provincial general revenues.

### Relationships Among the Variables

The purpose of this section is to describe the relationships among the organizational variables of the Alberta Hospital Association: the environment, goals, and internal operations, for the period 1919 - 1971.

#### Environment and Goals

The environment appeared to have a great deal of influence on the association's goals. In 1919, when the





association was organized, the goals established for it were in response to a number of factors in the environment: hospitals throughout the province were not united in a common effort, the standards of care among hospitals varied, facilities for chronic patients were lacking, and the per diem grants from government to hospitals were inadequate. In response to the conditions of the environment, the association's membership established goals to promote cooperation and communication among the hospitals, develop standards of hospital care on the basis of the American College of Surgeons standardization program, and lobby government to provide more adequate chronic care facilities and an increased per diem grant to hospitals. In 1943, the association's goals were expanded to include activities which would stimulate hospital development and promote cooperation between hospitals and the Department of Public Health. These two goals were established because of the need for more hospital beds and the key role of the Provincial government was playing in the provision of funding for hospital services. Although some progress was made in achieving these goals through the voluntary efforts of the Executive Officers and committee members of the association, success was limited because there was not a full-time staff devoted to pursuing the goals.

During the period 1959 - 1971, the goals of the association changed by becoming more specific. The goals established continued to place a high priority on improving the provincial hospital system but this time they outlined specifically how



that could be done. For example, the goals defined the association's role in the construction and administration of hospitals, the improvement of hospital work, and the collective bargaining of agreements between hospital boards and employee organizations. The goals of the association became more specific during the period 1959 - 1971 because the broader problems and issues which had been confronting the association during the periods 1919 - 1943 and 1947 - 1958 had been largely achieved and the more specific issues could be tackled.

On the basis of the general description above, it appears as though a relationship between the association and its environment did exist. During the periods 1919 - 1943 and 1943 - 1958, the association's goals were established in response to broad problems in the environment. During the period 1959 - 1971, after the more general problems were remedied, the association's goals became more specific.

#### Environment and Internal Operations

The internal operations of the association were influenced by the environment. During the periods 1919 - 1943 and 1943 - 1958, the association had a relatively loose organizational structure and, as a result, the internal operations were vulnerable to factors in the environment. The major environmental influences on the internal operations of the association during the periods 1919 - 1943 and 1943 - 1958 were:

(a) the necessity for a uniform system of accounting in hospitals, (b) the development of a standardization program





by the American College of Surgeons, (c) the inadequate per diem grants from the provincial government, and (c) the legislation enacted by the government. The association generally responded to these environmental influences by establishing committees to examine the problems and make recommendations for their resolution. Although the association established committees to study accounting and the standardization of hospitals, the implementation of the committee's recommendations was limited by the fact that the association did not have a full-time staff to implement them. The association's activities were therefore limited to promoting the development of uniform accounting and standardization at the annual conventions and workshops. In response to the inadequate per diem grants, the association held meetings with the Minister of the Department of Public Health to make him aware of the problem. The association also established a Legislation Committee which studied health related legislation and then made recommendations to government on how the legislation could be improved.

During the period 1959 - 1971, the major environmental factors affecting the internal operations of the association included the above, plus (a) the organization of hospital employees into unions and associations, and (b) the delegation of education and consulting services from the Department of Public Health to the association. The association responded to the environmental conditions by establishing an office and employing a full-time staff who were assigned to develop





a labour relations program and educational and consulting services for hospitals. The internal operations of the association developed dramatically during the period 1959 - 1971 as a result of conditions in the environment and the initiatives taken by the association's full-time secretariat. The complexity of the association increased as more staff were employed to provide services to hospitals. Formalization increased as rules and procedures were developed to govern the activities of the association's employees. Centralization of authority initially increased with the employment of an Executive Secretary but then decreased as he delegated some of his responsibilities to the senior staff. Communication became more important among hospitals and the association and it increased in frequency. The technology of the association became more complex as the association undertook to provide more services to hospitals.

As well as being influenced by the environment the association's internal operations appeared to affect the environment. During the first two periods, 1919 - 1943 and 1943 - 1958, the internal operations of the association had only a limited impact on the environment because the internal operations were not yet fully developed. For example, the absence of a full-time staff constrained the development of a uniform accounting system for all hospitals in the province. During the period 1959 - 1971, the association met with greater success in influencing the environment by establishing, for example, province-wide collective



bargaining, which united the hospital boards to negotiate collective labour contracts. In addition, through the educational and consulting services, the association was instrumental in improving the state of hospital administration in the province.

#### Internal Operations and Goals

The internal operations and goals of the association influenced one another throughout the association's development from 1919 to 1971. For example, at the organizational meeting of the association in 1919, the individuals who met outlined the goals or purposes for which the association was being formed. The goals in a general way recommended actions that the association's membership could pursue so as to improve the state of hospital work in the province. Two examples of the actions which were manifested in the internal operations of the association were the pursuit of a standardization program and a uniform accounting system. Once the goals were achieved, they were displaced by others more pressing at the time.

During the association's development from 1919 to 1971, the internal operations of the association became significantly more complex during the latter period 1959 - 1971. The increased complexity of the association's internal operations had two major influences on the association's goals. First, as staff were employed and their numbers increased, the goals of the association became more closely





integrated with the internal operations because employees were now actively involved in attempting to achieve the goals set out for the association. Second, the goals became more specific during the period 1959 - 1971 because some of the more general goals had already been achieved and the association was concentrating on issues such as the improvement of hospital administration and organizing hospital labour relations.

The relationship between the association's internal operations and goals was very close. Goals were established to serve as the purposes toward which the association's internal operations were directed. Once a goal was achieved, it was displaced by a new goal which the internal operations were in turn directed toward.

#### Environment, Goals and Internal Operations

The description of the relationships among the environment, goals and internal operations of the association suggests that all three were closely interrelated. The association established goals in response to conditions in the environment and then worked toward them through the internal operations. The internal operations were successful in achieving some of the goals and these were displaced by new goals which the association worked toward. Although the goals and internal operations of the association were influenced by the environment, the association's goals and internal operations also influenced the environment.



The environment, goals, and internal operations of the association tended towards increased complexity during the association's development from 1919 to 1971. The environment became more complex as a result of an increased number of hospitals in the province, the addition of nursing homes to the association's membership, the development of a province-wide hospital insurance program, the increasing complexity of hospital administration, and the rise of hospital employee unions and associations. The association's goals were established in response to the more complex factors in the environment. The internal operations of the association also became more complex as the number of staff increased and the services provided became more numerous and technologically more complex.

#### A Comment on the Study of Organizations

The development of an analytic framework derived from organizational theory and its application to the historical study of organizations enhances our understanding of organizations. In this study, the framework of variables has been useful in categorizing the important characteristics and activities of the Alberta Hospital Association and aiding in the description of the relationships among the variables.

Organizations are an important component of our society. Organizations are generally established to perform a designated function; for example, some organizations process raw materials into a finished product while others provide a



service to improve or maintain the general well-being of people. An organization like the Alberta Hospital Association does not fit neatly into either of the above categories because it serves to improve the 'general well-being' of other organizations - namely, hospitals and nursing homes. Further study of these organizations would facilitate a better understanding of their function and further our knowledge of how organizations generally develop and function.

The historical study of organizations which have made important contributions to society is also necessary. Such studies could serve a number of purposes: they could be useful to those interested in the development of a specific organization; they may point out problems in the development of an organization so that in future the problems could be avoided; and they could add to our knowledge about how organizations develop over time. In this study, it has been demonstrated that a framework of organizational analysis can be useful in the study of an organization's history. It is recommended that the analytic framework developed in this study be applied to the historical study of other organizations so that the framework can be further tested and improved.





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